

**CUSTODIAN OF NOTARIAL RECORDS OF
ORLEANS PARISH
STATE OF LOUISIANA**

**Component Unit Financial Statements
And Independent Auditor's Reports
As of and for the Year Ended June 30, 2006**

Audit of Financial Statements

June 30, 2006

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 10-11-2006 :

**CUSTODIAN OF NOTARIAL RECORDS OF
ORLEANS PARISH
State of Louisiana
Annual Financial Statements
JUNE 30, 2005**

CONTENTS

INDEPENDENT AUDITOR'S REPORT	1-2
MANAGEMENT'S DISCUSSION AND ANALYSIS	3-7
BASIC FINANCIAL STATEMENTS	
Statement of Net Assets	8-9
Statement of Revenues, Expenses, and Changes in Fund Net Assets	10
Statement of Cash Flows	11-12
NOTES TO THE FINANCIAL STATEMENTS	13-23
OTHER SUPPLEMENTARY SCHEDULES	
Reporting Packet - Division of Administration, Office of Statewide Reporting and Accounting Policy - Annual Financial Report (CAFR)	25-73
OTHER REPORTS REQUIRED BY GOVERNMENT AUDITING STANDARDS -	
Report on Internal Control over Financial Reporting and on Compliance and Other Matters based on an Audit of Financial Statements Performed In accordance with <i>Government Auditing Standards</i>	75-76
Schedule of Findings and Questioned Costs	77
REPORTS BY MANAGEMENT	
Schedule of Prior Year Findings	79
Management's Corrective Action Plan	80

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Independent Auditor's Report

To the Custodian of Notarial Records of Orleans Parish State of Louisiana New Orleans, Louisiana

We have audited the accompanying financial statements of the business-type activities of the Custodian of Notarial Records of Orleans Parish (the Custodian), a component unit of the State of Louisiana, as of and for the year ended June 30, 2006, which collectively comprise the Custodian's basic financial statements, as listed in the table of contents. These financial statements are the responsibility of the Custodian's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United State of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above, present fairly, in all material respects, the financial position of the business-type activities of the Custodian as of June 30, 2006, and the respective changes in financial position and cash flows, thereof, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 20, 2006 on our consideration of the Custodian's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report

is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in conjunction with this report in considering the results of our audit.

The accompanying management's discussion and analysis, as listed in the table of contents, is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Custodian's basic financial statements. The accompanying supplementary information such as the Division of Administration Reporting Packet, as listed in the table of contents, is presented for purpose of additional analysis and is not a required part of the basic financial statements of the Custodian. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Hienz & Macaluso, LLC
HIENZ & MACALUSO, LLC
Metairie, LA

September 20, 2006

MANAGEMENT'S DISCUSSION AND ANALYSIS

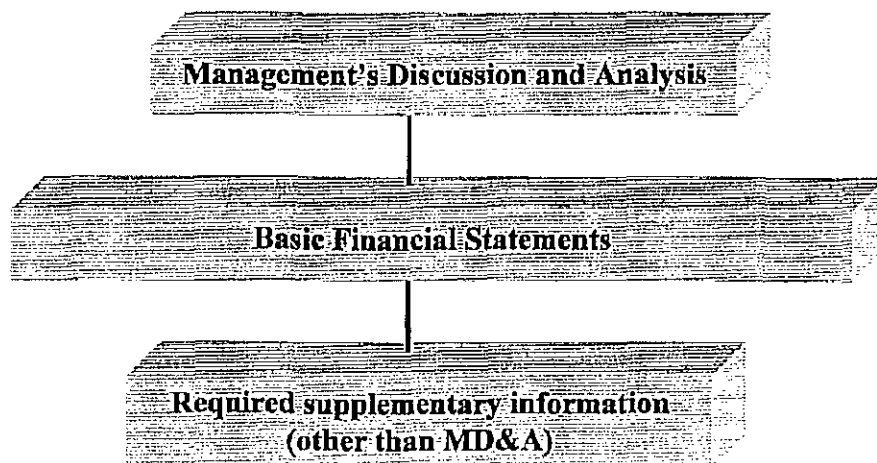
The Management's Discussion and Analysis (MD&A) of the Custodian of Notarial Records of Orleans Parish's financial performance presents a narrative overview and analysis of the Custodian of Notarial Records of Orleans Parish's financial activities for the year ended June 30, 2006. This document focuses on the current year's activities, resulting changes, and currently known facts in comparison with prior year's information. Please read this document in conjunction with the information contained in the Custodian of Notarial Records of Orleans Parish's financial statements.

Financial Highlights

- ★ Operating expenses exceeded operating revenues by \$124,692, while in 2005 operating revenues exceeded operating expenses by \$ 432,778 a difference of \$557,470 over the prior year.
- ★ The Custodian has no debt except for the liability for compensated absences in the amount of \$ 26,901 which is an increase from 18,233 reported in 2005 (a 47.54% increase).
- ★ Current year net assets decreased \$ 19,538 compared with an increase in net assets for 2005 in the amount of \$ 445,405.
- ★ Net assets as of June 30, 2006 are \$ 2,606,573, which is comprised almost entirely of cash.

Overview of the Basic Financial Statements

The following graphic illustrates the minimum requirements for Special Purpose Governments Engaged in Business-Type Activities established by Governmental Accounting Standards Board Statement 34, Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments.



These financial statements consist of three sections – Management’s Discussion and Analysis (this section), the basic financial statements (including the notes to the financial statements), and required supplementary information.

Basic Financial Statements

The basic financial statements present information for the Custodian of Notarial Records of Orleans Parish as a whole, in a format designed to make the statements easier for the reader to understand. The statements in this section include the Statement of Net Assets, the Statements of Revenues, Expenses, and Changes in Fund Net Assets, and the Statement of Cash Flows.

The Statement of Net Assets (pages 8-9) presents the current and long-term portions of assets and liabilities separately. The difference between total assets and total liabilities is net assets and may provide a useful indicator of whether the financial position of the Custodian of Notarial Records of Orleans Parish is improving or deteriorating.

The Statement of Revenues, Expenses and Changes in Fund Net Assets (page 10) presents information showing how the Custodian of Notarial Records of Orleans Parish’s assets changed as a result of current year operations. Regardless of when cash is affected, all changes in net assets are reported when the underlying transactions occur. As a result, there are transactions included that will not affect cash until fiscal periods.

The Cash Flow Statement (pages 11-12) presents information showing how the Custodian of Notarial Records of Orleans Parish’s cash changed as a result of current year operations. The cash flow statement is prepared using the direct method and includes the reconciliation of operating income (loss) to net cash provided (used) by operating activities (indirect method) as required by GASB 34.

Financial Analysis of the Entity

The following presents condensed financial information on the operations of the Entity:

	Total	
	2006	2005
Current and other assets	\$ 2,485,629	\$ 2,557,252
Capital assets (net of accumulated depreciation)	186,486	156,709
Total assets	2,672,115	2,713,961
Current liabilities	38,641	69,617
Long-term debt outstanding (compensated absences)	26,901	18,233
Total liabilities	65,542	87,850
Net assets		
Invested in capital assets, net of debt	186,486	156,709
Restricted	2,420,087	2,469,402
Unrestricted	-	-
Total net assets	\$ 2,606,573	\$ 2,626,111
Operating Revenues	\$ 1,294,843	\$ 2,095,995
Operating Expenses	(1,419,535)	(1,663,217)
Operating income	(124,692)	432,778
Non-operating revenues (expenses)	105,154	12,627
Income before transfers	(19,538)	445,405
Transfers in	-	-
Transfers out	-	-
Net increase (decrease) in net assets	\$ (19,538)	\$ 445,405

The Custodian of Notarial Records of Orleans Parish does not have any unrestricted net assets. However, it does have "restricted" net assets. These are net assets that are restricted by Louisiana revised statute 35:337(B), which states that "any unexpended or unencumbered funds remaining at the end of the fiscal year to the credit of the account of monies, fees, or sums collected by the Custodian of Notarial Records shall be dedicated to microfilming or other imaging projects to ensure the indefinite survival of the records."

Net assets of the Custodian of Notarial Records of Orleans Parish decreased by \$19,538 or .74%, from June 30, 2005 to June 30, 2006. The major cause for this decrease was revenues decreased due to Hurricane Katrina and were offset by a slight decrease in expenses.

The Custodian of Notarial Records of Orleans Parish's operating revenues decreased by \$ 801,152 or 38.22%, from June 30, 2005 to June 30, 2006. Operating expenses decreased by \$ 243,682 or 14.65% from 2005 to 2006.

Capital Assets and Long Term Debt Administration

Capital Assets

As of June 30, 2006, the Custodian of Notarial Records of Orleans Parish had \$634,514 invested in furniture, fixtures, and office equipment. This amount represents the original cost of the capital assets, and reflects a net increase (including additions and deductions) of \$43,357 or 7.33% over last year's total.

Long Term Debt

The only long-term debt that the Custodian of Notarial Records of Orleans Parish had outstanding at year-end was for compensating absences (leave) in the amount of \$26,901.

Variations between Original and Final Budgets

There were no significant variations between the original and final budget.

Economic Factors and Next Year's Budgets and Rates

The Custodian of Notarial Records of Orleans Parish considered the following factors and indicators when setting up next year's budget, rates, and fees. These factors and indicators included:

- Increased costs associated with microfilming projects and the contractors needed to implement these projects,
- Additional personnel and related costs due to additional microfilming and document restoration and preservation projects and the extensive nature of these projects.
- The effects on the economy of continuing recovery efforts related to Hurricanes Katrina and Rita for the region.

The Custodian of Notarial Records of Orleans Parish estimates that next year's annual expenses may exceed annual revenues, due to increases in the number of microfilming and other document preservation projects, however, the cash balance should cover the expected increase in expenses.

Contacting the Custodian's Financial Management

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the Custodian of Notarial Records of Orleans Parish's finances and to show accountability of the Custodian of Notarial Records of Orleans Parish for the money it receives.

If you have any questions regarding this report or need additional financial information, contact:

Stephen P. Bruno, Custodian of Notarial Records of Orleans Parish
1340 Poydras Street, Suite 360
New Orleans, LA 70112

Or call 504-680-9604

**CUSTODIAN OF NOTARIAL RECORDS
OF ORLEANS PARISH
STATE OF LOUISIANA
STATEMENT OF NET ASSETS
JUNE 30, 2006**

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$ 2,411,100
Receivables (net of allowance for doubtful accounts)	70,225
Rental deposits	<u>4,304</u>
 Total Current Assets	 <u>2,485,629</u>

NONCURRENT ASSETS

Property and equipment (net of depreciation)	<u>186,486</u>
 Total Noncurrent Assets	 <u>186,486</u>
 Total Assets	 <u>\$ 2,672,115</u>

The accompanying notes are an integral part of this Financial Statement.

**CUSTODIAN OF NOTARIAL RECORDS
OF ORLEANS PARISH
STATE OF LOUISIANA
STATEMENT OF NET ASSETS (CONTINUED)
JUNE 30, 2006**

LIABILITIES

CURRENT LIABILITIES

Accounts payable	\$ 12,714
Payroll deductions and accrued salary	7,197
Deferred revenue - notary fees	11,030
Escrow - City of New Orleans	<u>7,700</u>
Total Current Liabilities	<u>38,641</u>

NONCURRENT LIABILITIES

Accrued annual leave	<u>26,901</u>
Total Noncurrent Liabilities	<u>26,901</u>
Total Liabilities	<u>65,542</u>

NET ASSETS

Invested in capital assets, Net of related debt	186,486
Restricted for:	
Capital projects	-
Debt service	-
Other purposes	<u>2,420,087</u>
Total Net Assets	\$ <u>2,606,573</u>

The accompanying notes are an integral part of this Financial Statement.

**CUSTODIAN OF NOTARIAL RECORDS
OF ORLEANS PARISH
STATE OF LOUISIANA
STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2006**

OPERATING REVENUES

Filing fees	\$ 643,330
Certification fees	52,525
Copying fees	326,583
Documentary transaction tax fees	126,108
Notary fees	68,650
Service charge fees	29,288
Grant	48,359
Total Operating Revenues	<u>1,294,843</u>

OPERATING EXPENSES

Personnel services	967,256
Materials and supplies	24,068
Operating services	279,132
Professional services	80,145
Travel	13,982
Depreciation	54,952
Total operating expenses	<u>1,419,535</u>

Operating Income (124,692)

NON-OPERATING REVENUES (EXPENSES)

Interest revenue	42,432
Insurance and other re-imbursements	122,481
Expenses related to disaster recovery efforts	(44,657)
Loss on disposal of assets due to disaster	(15,102)
Total Non-operating Revenues (Expenses)	<u>105,154</u>

Change in Net Assets (19,538)

Total Net Assets - beginning 2,626,111

Total Net Assets - ending \$ 2,606,573

The accompanying notes are an integral part of this Financial Statement.

**CUSTODIAN OF NOTARIAL RECORDS
OF ORLEANS PARISH
STATE OF LOUISIANA
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2006**

CASH FLOWS FROM OPERATING ACTIVITIES:

Cash received from license fees, permits, and fines	\$ 1,271,763
Cash payments for salaries and related benefits	(953,291)
Cash payments to suppliers for goods and services	<u>(431,130)</u>
Net cash provided (used) by operating activities	<u>(112,658)</u>

CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:

Net cash provided (used) by non-capital financing activities	<u>-</u>
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CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:

Proceeds from insurance and other re-imbursements	122,481
Amounts paid directly for disaster recovery efforts	(44,657)
Acquisitions of capital assets	<u>(99,831)</u>
Net cash provided (used) by capital and related financing activities	<u>(22,007)</u>

CASH FLOWS FROM INVESTING ACTIVITIES:

Interest earned on investments	<u>42,432</u>
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Net cash provided (used) by investing activities	<u>42,432</u>
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Net increase (decrease) in cash and cash equivalents	(92,233)
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Cash and cash equivalents at beginning of year	<u>2,503,333</u>
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Cash and cash equivalents at end of year	<u><u>\$ 2,411,100</u></u>
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The accompanying notes are an integral part of this Financial Statement.

**CUSTODIAN OF NOTARIAL RECORDS
OF ORLEANS PARISH
STATE OF LOUISIANA
STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2006**

Reconciliation of operating income (loss) to net

Cash provided (used) by operating activities:

Operating income	\$	(124,692)
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Depreciation	\$	54,952
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Changes in assets and liabilities:

(Increase) decrease in receivables	(20,610)
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Increase (decrease) in accounts payable	(33,803)
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Increase (decrease) in payroll deductions and accrued expenses	5,297
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Increase (decrease) in deferred revenue - notary fees	(2,470)
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Increase (decrease) in accrued annual and sick leave	8,668
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Total adjustments		<u>12,034</u>
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Net cash provided (used) by operating activities	\$	<u><u>(112,658)</u></u>
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The accompanying notes are an integral part of this Financial Statement.

**CUSTODIAN OF NOTARIAL RECORDS
OF ORLEANS PARISH
STATE OF LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2006**

INTRODUCTION

The Custodian of Notarial Records of Orleans Parish, State of Louisiana (the Custodian) was created by Act 147 of the Louisiana legislature in 1867. This act stated that a central office be established and provide a custodian to care for and discharge the duties of that office. As provided by Louisiana revised statute 35:322, the Custodian is appointed by the Governor for a term of four years. The term of office shall run concurrent with that of the Governor. The Custodian's office is New Orleans, Louisiana and its primary revenues are filing fees, copying fees and documentary transaction tax fees.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying financial statements have been prepared on the full accrual basis in accordance with accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting principles and financial reporting standards. The Custodian applies all GASB pronouncements as well as Financial Accounting Standards Board (FASB) statements and interpretations issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements.

These financial statements were prepared in accordance with GASB Statement 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that Use Proprietary Fund Accounting*. In addition, these financial statements include the implementation of GASB Statement Number 34, *Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments*. This standard was implemented by the Custodian in 2001 and provides for significant changes in terminology, recognition of contributions in the Statement of Revenues, Expenses and Changes in Net Assets, inclusion of a management discussion and analysis as supplementary information and other changes.

Reporting Entity

The State of Louisiana is the governing authority and the governmental financial reporting entity for the Custodian of Notarial Records of Orleans Parish. The financial reporting entity consists of:

- ❖ The primary government (State of Louisiana)

**CUSTODIAN OF NOTARIAL RECORDS
OF ORLEANS PARISH
STATE OF LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2006**

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- ❖ Organizations for which the primary government is financially accountable
- ❖ Other organizations for which nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Governmental Accounting Standards Board Statement No. 14 established criteria for determining which component units should be considered part of the State of Louisiana for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. These criteria include:

- ❖ Appointing a voting majority of an organization's governing body, and
 - The ability of the State of Louisiana to impose its will on that organization, and/or
 - The potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the State of Louisiana.
- ❖ Organizations, for which the State of Louisiana does not appoint a voting majority, but are fiscally dependent on the State of Louisiana.
- ❖ Organizations for which the reporting entity's financial statements would be *misleading if data of the organization is not included because of the nature or significance of the relationship.*

The Custodian of Notarial Records of Orleans Parish is considered a component unit of the State of Louisiana because the state exercises oversight responsibility in that the state has the ability to significantly influence the designation of management by the Governor appointing the Custodian, and public service is rendered within the state's boundaries. The accompanying financial statements represent activity of the Custodian, and, therefore, are a part of the fund and account group structure of the State of Louisiana and its basic financial statements.

Basis of Accounting

In April of 1984, the Financial Accounting Foundation established the Governmental Accounting Standards Board to promulgate generally accepted accounting principles and reporting standards with respect to activities and transactions of state and

**CUSTODIAN OF NOTARIAL RECORDS
OF ORLEANS PARISH
STATE OF LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2006**

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

local governmental entities. The GASB has issued a *Codification of Governmental Accounting and Financial Reporting Standards* (GASB Codification). This Codification and subsequent GASB pronouncements are recognized as generally accepted accounting principles for state and local governments. The accompanying financial statements have been prepared in accordance with such principles.

The accompanying financial statements of the Custodian of Notarial Records of Orleans Parish present information only as to the transactions of the programs of the Custodian of Notarial Records of Orleans Parish as authorized by Louisiana statutes and administrative regulations. Basis of Accounting refers to when revenues and expenses are recognized and reported in the financial statements. The accounting and financial reporting treatment applied to the Custodian is determined by its measurement focus. The transactions of the Custodian are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with operations are included in the Statement of Net Assets.

The accounts of the Custodian of Notarial Records of Orleans Parish are maintained in accordance with applicable statutory provisions and the regulations of the Division of Administration – Office of Statewide Reporting and Accounting Policy as follows:

Revenue Recognition

Revenues are recognized using the full accrual basis of accounting; therefore, revenue, including fees for filing, copying, certifications, and interest of the Custodian are recognized in the accounting period in which they are earned and become measurable.

Expense Recognition

Expenses are recognized on the accrual basis; therefore, expenses, including salaries, are recognized in the period incurred, if measurable. Operating expenses consist of all expenses except investment expenses.

Capital Assets

Capital assets are recorded at either historical cost or estimated historical cost and depreciated over their estimated useful lives (excluding salvage value). Any donated capital assets are recorded at their estimated fair value at the date of donation. Estimated useful life is management's estimate of how long the asset is expected to meet service demands. Straight-line depreciation over a 5-year estimated useful life period is used on furniture, fixtures and office equipment. These are the only capital assets of the Custodian's office.

**CUSTODIAN OF NOTARIAL RECORDS
OF ORLEANS PARISH
STATE OF LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2006**

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Annual and Sick Leave

Annual leave of one to four weeks is earned on a calendar year basis depending on the length of service. Annual leave earned must be used within that calendar year or during the following calendar year and may not be accumulated or carried forward to subsequent years. Compensation in lieu of any remaining leave time is not available.

Sick leave is earned on a calendar year basis at a rate of one day per month. Any unused accrued sick leave available to the employee at the end of the current calendar year can be carried forward from year to year for a maximum of 200 days. Compensation in lieu of leave time is not available. Accumulated sick leave is not paid upon termination of employment; however, Louisiana law (R.S. 11:424) provides that certified unused sick leave may be converted to retirement benefit credits.

Receivables

Receivables are made up mostly of documentary transaction tax fee revenue from the City of New Orleans. These receivables are expected to be collected in full; therefore, no allowance for uncollectible amounts is set up.

Long-term Liabilities

Long-term liabilities include amounts for capital lease obligations that are to be paid in future years.

Cash and cash equivalents

Cash and cash equivalents include demand deposits, petty cash and certificates of deposit with an original maturity of 90 days or less and are reported under the financial statement caption "cash and cash equivalents".

Restricted Net Assets

Restricted net assets represent those portions of net assets legally segregated for a specific future use. The Custodian restricts net assets of his office for future microfilming project costs to be incurred.

**CUSTODIAN OF NOTARIAL RECORDS
OF ORLEANS PARISH
STATE OF LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2006**

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Risk Management

The Custodian pays insurance premiums to the State of Louisiana, Office of Risk Management to cover risks that may occur in normal operations. The state pays premiums to the state's self-insurance program and to various insurance agencies for stop-loss coverage.

Encumbrances

Encumbrances are not recorded, and therefore, no reservation of net assets is necessary.

Use of Estimates

The presentation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

Budget Practices

In accordance with Louisiana statute 35:338, the Custodian is required to adopt budget for each fiscal year. The budget was prepared and reported on the accrual basis of accounting. Formal budget integration is employed as a management control device during the year.

NOTE 2: DEPOSITS WITH FINANCIAL INSTITUTIONS

Cash and certificates of deposit

For reporting purposes, deposits with financial institutions include cash reported on the balance sheet. Under state law, the Custodian may deposit funds within a fiscal agency bank selected and designated by the Interim Emergency Board. Further, the Custodian may invest in time certificates of deposits of state banks organized under the laws of Louisiana, the laws of any other state of the union, or the laws of the United States. Louisiana statutes permit the Custodian to invest in United States bonds, treasury notes, certificates, or other obligations and agencies of the U.S. Government which are federally insured, and certificates of deposit of state banks organized under the laws of Louisiana and national banks having their principal offices in Louisiana.

**CUSTODIAN OF NOTARIAL RECORDS
OF ORLEANS PARISH
STATE OF LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2006**

DEPOSITS WITH FINANCIAL INSTITUTIONS (Continued)

GASB Statement No. 40, which amended GASB Statement No. 3, only requires disclosure of deposits that are considered to be exposed to custodial credit risk. An entity's deposits are exposed to custodial credit risk if the deposit balances are either:

- 1) uninsured and uncollateralized,
- 2) uninsured and collateralized with securities held by the pledging financial institution or
- 3) uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the entity's name

The Custodian has no deposits that are required to be reported in the three categories listed above.

Deposits in bank accounts are stated at cost, which approximates market. Under state law federal deposit insurance or the pledge of securities owned by the fiscal bank agent must secure these deposits. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These pledged securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

The carrying amount of all cash on the Statement of Net Assets totaled \$2,411,100 at June 30, 2006, with petty cash of \$125 included in that figure. The bank balance per the bank statement totaled \$2,515,912.

The following schedule lists the banking institution and amount of the bank balances shown above:

<u>Banking Institution</u>	<u>Amount</u>
1. Whitney National Bank	\$ 675,825
2. Whitney National Bank – certificates of deposit	1,800,000
3. Whitney National Bank – grant account	<u>40,087</u>
Total	<u>\$2,515,912</u>
Cash in State Treasury	\$ 0
Petty Cash	\$ 125

**CUSTODIAN OF NOTARIAL RECORDS
OF ORLEANS PARISH
STATE OF LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2006**

NOTE 3: INVESTMENTS

The Custodian did not have any investments at June 30, 2006.

NOTE 4: CAPITAL ASSETS

The capital assets used in the Special Purpose Government Engaged only in Business-Type Activities are included on the Statement of Net Assets of the Custodian and are capitalized at historical cost. Depreciation of all exhaustible capital assets used by the Custodian is charged as an expense against operations. Accumulated depreciation is reported on the Statement of Net Assets. Depreciation expense for financial reporting purposes is computed using the straight-line method over the useful lives of the capital assets. Depreciation expense for the year ended June 30, 2006 was \$54,952.

A summary of changes in capital assets and accumulated depreciation during the year is listed as follows:

HISTORICAL COST:

Fiscal Year Ending June 30, 2006	Ending Balance 2005	Additions	Retirements	Ending Balance 2006
Furniture, fixtures, and office equipment	\$ 591,157	99,831	56,474	\$ 634,514
Total	591,157	99,831	56,474	634,514

ACCUMULATED DEPRECIATION:

Fiscal Year Ending June 30, 2006	Ending Balance 2005	Additions	Retirements	Ending Balance 2006
Furniture, fixtures, and office equipment	434,448	54,952	41,372	448,028
Total	434,448	54,952	41,372	448,028
NET BOOK VALUE	156,709			186,486

**CUSTODIAN OF NOTARIAL RECORDS
OF ORLEANS PARISH
STATE OF LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2006**

NOTE 5: RETIREMENT SYSTEM

The employees of the Custodian are members of the Louisiana State Employees Retirement System (LASERS), a cost-sharing, multiple-employer, defined benefit pension plan administered by a separate board of trustees. LASERS provides retirement, disability and survivors' benefits to plan members and beneficiaries. Benefits granted by LASERS are guaranteed by the State of Louisiana by provisions of the Louisiana Constitution of 1974. Generally, all full-time employees are eligible to participate in LASERS, with employee benefits vesting after 10 years of service. Article 10, Section 29 of the Constitution of 1974 assigns the authority to establish and amend benefit provisions to the state legislature.

LASERS issues an annual publicly available financial report that includes financial statements and required supplementary information for the system. That report may be obtained by contacting the Louisiana State Employee Retirement System at P.O. Box 44213, Baton Rouge, Louisiana 70804-4213 or by calling (225) 922-0600.

Contribution requirements of plan members and the Custodian are established and may be amended by the state legislature. The legislature annually sets the required employer contribution rate to equal the actuarially required employer contribution as set forth in Louisiana Revised Statute 11:102.

Employees are required by the state to contribute 7.5% of their annual covered salaries (unless employed after July 1, 2006 – the rate is 8%), and the Custodian is required to make employer contributions based on an actuarially determined rate. The employer rate for the years ended June 30, 2006, 2005, and 2004 were 19.1%, 17.8% and 15.8%, respectively, of annual covered payroll. The Custodian's employer contributions to the System for the years ended June 30, 2006, 2005 and 2004 were \$ 117,592, \$123,589 and \$103,229, respectively, and these amounts equaled the required contributions for those years.

NOTE 6: POSTRETIREMENT HEALTH CARE AND OTHER BENEFITS

The Custodian of Notarial Records of Orleans Parish provides certain continuing health care benefits for its retired employees. Substantially all of the Custodian's employees become eligible for these benefits if they reach normal retirement age while working for the Custodian. These benefits for retirees and similar benefits for active employees are provided through Louisiana State Employee Group Benefits Insurance program, whose monthly premiums are paid jointly by the employee and by the Custodian. The Custodian recognizes the cost of the employer's portion of the insurance premiums of retirees as an expenditure when paid during the year (on a pay-as-you-go basis). For the year ended June 30, 2006, the Custodian's cost of benefits paid for 7 retirees in the program totaled \$48,953.

**CUSTODIAN OF NOTARIAL RECORDS
OF ORLEANS PARISH
STATE OF LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2006**

NOTE 7: LEASES

Annual Commitments under Operating Lease

On May 28, 1998, the Custodian entered into an operating lease beginning on September 1, 1998, and ending on October 31, 2008, for building space across from the Civil Courts Building, where its primary offices are located, to store historic records and documents of the office. The original lease was amended to include additional space.

Annual lease commitments are as follows:

For the fiscal year ending on June 30:

2007	154,020
2008	<u>51,340</u>
Total minimum lease commitments	<u>\$ 205,360</u>

For the fiscal year ended June 30, 2006, payments under all operating leases totaled \$76,582. The building under lease was damaged in the storm and payments were waived for 6 month -- from September 2005 through February 2006.

**NOTE 8: REVENUE AND EXPENDITURES OF THE CUSTODIAN NOT
INCLUDED IN THE FINANCIAL STATEMENTS**

For the year ended June 30, 2006, the Custodian received office space in the Civil Courts Building, maintenance on the office space, and certain utilities from the City of New Orleans at no charge. The Custodian also used space at the New Orleans Convention Center from October 2005 through the end of the fiscal year -- the use of this facility was covered by disaster emergency funds and was not billed to the Custodian. The value of these items is not reflected in the accompanying financial statements.

The Custodian incurred expenses for disaster recovery efforts as a result of Hurricanes Katrina and Rita for labor, storage and restoration of documents and other professional services in the amount of \$ 1,103,373. These amounts were paid by Louisiana Office of Risk Management directly to the vendors. These amounts were not included in the revenue and expenses of the Custodian for the year ended June 30, 2006.

**CUSTODIAN OF NOTARIAL RECORDS
OF ORLEANS PARISH
STATE OF LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2006**

NOTE 9: NET ASSETS

Net assets represent the difference between assets and liabilities. The composition of net assets was as follows for the year ended June 30, 2006:

Restricted	\$2,420,087
Invested in capital assets	<u>186,486</u>
Total Net Assets	<u>\$2,606,573</u>

Restricted net assets represent those portions of net assets legally segregated for a specific future use. The Custodian restricts net assets of his office for future microfilming project costs to be incurred. As of June 30, 2006, the Custodian's net asset balance was restricted for future microfilming project expenses totaling \$2,606,573.

NOTE 10: LITIGATION AND CLAIMS

According to the Custodian and the Custodians attorney, there is no pending litigation or claims against his office as of June 30, 2006, which would have a material adverse effect on the financial statements.

NOTE 11: PER DIEM

The Custodian does not receive any per diem, but as allowed under Louisiana R.S. 35:337 receives a salary of \$ 40,000 per year.

NOTE 12: ACCRUED ANNUAL LEAVE

All of the amounts for accrued annual leave are recorded as a non-current liability. The following is a summary of the accrued annual leave liability changes during the year:

Accrued annual leave	
at June 30, 2005	\$18,233
Increase / (Decrease)	<u>8,668</u>
Accrued annual leave	
at June 30, 2006	<u>\$26,901</u>

There is no current portion of accrued annual leave.

**CUSTODIAN OF NOTARIAL RECORDS
OF ORLEANS PARISH
STATE OF LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2006**

NOTE 13: HURRICANE KATRINA

On August 29, 2005 the city of New Orleans suffered significant flooding and hurricane damage due to Hurricane Katrina. Certain areas of the Custodian's office at City Hall in New Orleans were flooded, as well. The Custodian relocated its operations to the New Orleans Convention Center in October 2005 through the end of the fiscal year.

OTHER SUPPLEMENTARY SCHEDULES

**SCHEDULES REQUIRED BY THE DIVISION OF ADMINISTRATION,
OFFICE OF
STATEWIDE REPORTING AND ACCOUNTING POLICY**

CUSTODIAN OF NOTARIAL RECORDS OF ORLEANS PARISH

STATE OF LOUISIANA
Annual Financial Statements
June 30, 2006

CONTENTS

AFFIDAVIT

Statements

MD&A

Balance Sheet	A
Statement of Revenues, Expenses, and Changes in Fund Net Assets	B
Statement of Activities	C
Statement of Cash Flows	D

Notes to the Financial Statements

A.	Summary of Significant Accounting Policies
B.	Budgetary Accounting
C.	Deposits with Financial Institutions and Investments (Information in Appendix B)
D.	Capital Assets – Including Capital Lease Assets
E.	Inventories
F.	Restricted Assets
G.	Leave
H.	Retirement System
I.	Post Retirement Health Care and Life Insurance Benefits
J.	Leases
K.	Long-Term Liabilities
L.	Contingent Liabilities
M.	Related Party Transactions
N.	Accounting Changes
O.	In-Kind Contributions
P.	Defeased Issues
Q.	Cooperative Endeavors
R.	Government-Mandated Nonexchange Transactions (Grants)
S.	Violations of Finance-Related Legal or Contractual Provisions
T.	Short-Term Debt
U.	Disaggregation of Receivable Balances
V.	Disaggregation of Payable Balances
W.	Subsequent Events
X.	Segment Information
Y.	Due to/Due from and Transfers
Z.	Liabilities Payable from Restricted Assets
AA.	Prior-Year Restatement of Net Assets
BB.	Net Assets Restricted by Enabling Legislation (Information in Appendix C)
CC.	Impairment of Capital Assets (Additional Info in Appendix D)
DD.	Employee Termination Benefits

Schedules

1	Schedule of Per Diem Paid to Board Members
2	Schedule of State Funding
3	Schedules of Long-Term Debt

4	Schedules of Long-Term Debt Amortization
15	Schedule of Comparison Figures and Instructions

Appendix

A	Instructions for the Simplified Statement of Activities
B	Information for Note C - "Deposits with Financial Institutions and Investments"
C	Information for Note BB - "Net Assets Restricted by Enabling Legislation"
D	Information for Note CC - "Impairment of Capital Assets"

Schedule Number

STATE OF LOUISIANA
Annual Financial Statements
Fiscal Year Ending June 30, 20____

CUSTODIAN OF NOTARIAL RECORDS OF ORLEANS PARISH

Division of Administration
Office of Statewide Reporting
and Accounting Policy
P. O. Box 94095
Baton Rouge, Louisiana 70804-9095

Legislative Auditor
P. O. Box 94397
Baton Rouge, Louisiana 70804-9397

AFFIDAVIT

Personally came and appeared before the undersigned authority, Stephen P. Bruno, Custodian of the CUSTODIAN OF NOTARIAL RECORDS OF ORLEANS PARISH who duly sworn, deposes and says, that the financial statements herewith given present fairly the financial position of CUSTODIAN OF NOTARIAL RECORDS OF ORLEANS PARISH at June 30, 2006 and the results of operations for the year then ended in accordance with policies and practices established by the Division of Administration or in accordance with Generally Accepted Accounting Principles as prescribed by the Governmental Accounting Standards Board. Sworn and subscribed before me, this 20th day of Sept, 2006.



Signature of Agency Official



NOTARY PUBLIC

Aidon Kiefer
Not ID# 69574

Prepared by: Hienz & Macakuso, LLC

Title: CPA's

Telephone No.: 504-837-5434

Date: September 20, 2006

MANAGEMENT'S DISCUSSION AND ANALYSIS

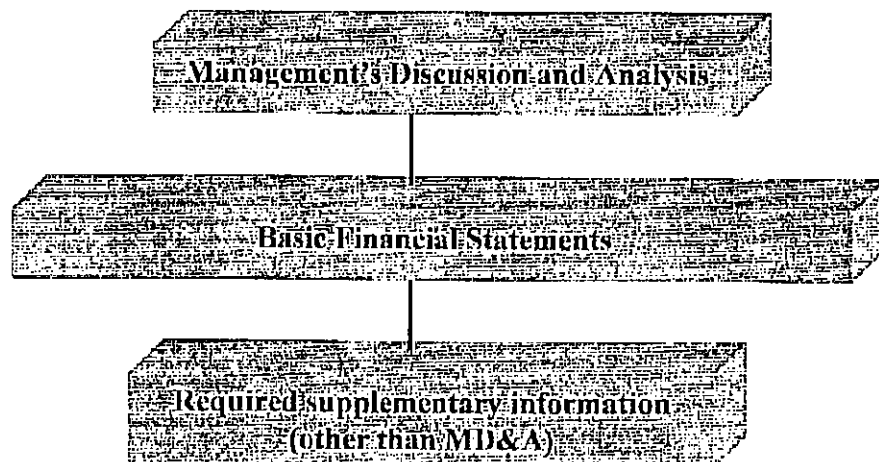
The Management's Discussion and Analysis (MD&A) of the Custodian of Notarial Records of Orleans Parish's financial performance presents a narrative overview and analysis of the Custodian of Notarial Records of Orleans Parish's financial activities for the year ended June 30, 2006. This document focuses on the current year's activities, resulting changes, and currently known facts in comparison with prior year's information. Please read this document in conjunction with the information contained in the Custodian of Notarial Records of Orleans Parish's financial statements.

Financial Highlights

- ★ Operating expenses exceeded operating revenues by \$124,692, while in 2005 operating revenues exceeded operating expenses by \$ 432,778 a difference of \$557,470 over the prior year.
- ★ The Custodian has no debt except for the liability for compensated absences in the amount of \$ 26,901 which is an increase from 18,233 reported in 2005 (a 47.54% increase).
- ★ Current year net assets decreased \$ 19,538 compared with an increase in net assets for 2005 in the amount of \$ 445,405.
- ★ Net assets as of June 30, 2006 are \$ 2,606,573, which is comprised almost entirely of cash.

Overview of the Basic Financial Statements

The following graphic illustrates the minimum requirements for Special Purpose Governments Engaged in Business-Type Activities established by Governmental Accounting Standards Board Statement 34, Basic Financial Statements -- and Management's Discussion and Analysis -- for State and Local Governments.



These financial statements consist of three sections – Management’s Discussion and Analysis (this section), the basic financial statements (including the notes to the financial statements), and required supplementary information.

Basic Financial Statements

The basic financial statements present information for the Custodian of Notarial Records of Orleans Parish as a whole, in a format designed to make the statements easier for the reader to understand. The statements in this section include the Statement of Net Assets, the Statements of Revenues, Expenses, and Changes in Fund Net Assets, and the Statement of Cash Flows.

The Statement of Net Assets (pages 8-9) presents the current and long-term portions of assets and liabilities separately. The difference between total assets and total liabilities is net assets and may provide a useful indicator of whether the financial position of the Custodian of Notarial Records of Orleans Parish is improving or deteriorating.

The Statement of Revenues, Expenses and Changes in Fund Net Assets (page 10) presents information showing how the Custodian of Notarial Records of Orleans Parish’s assets changed as a result of current year operations. Regardless of when cash is affected, all changes in net assets are reported when the underlying transactions occur. As a result, there are transactions included that will not affect cash until fiscal periods.

The Cash Flow Statement (pages 11-12) presents information showing how the Custodian of Notarial Records of Orleans Parish’s cash changed as a result of current year operations. The cash flow statement is prepared using the direct method and includes the reconciliation of operating income (loss) to net cash provided (used) by operating activities (indirect method) as required by GASB 34.

Financial Analysis of the Entity

The following presents condensed financial information on the operations of the Entity:

	Total	
	2006	2005
Current and other assets	\$ 2,485,629	\$ 2,557,252
Capital assets (net of accumulated depreciation)	186,486	156,709
Total assets	2,672,115	2,713,961
Current liabilities	38,641	69,617
Long-term debt outstanding (compensated absences)	26,901	18,233
Total liabilities	65,542	87,850
Net assets		
Invested in capital assets, net of debt	186,486	156,709
Restricted	2,420,087	2,469,402
Unrestricted	-	-
Total net assets	\$ 2,606,573	\$ 2,626,111
Operating Revenues	\$ 1,294,843	\$ 2,095,995
Operating Expenses	(1,419,535)	(1,663,217)
Operating income	(124,692)	432,778
Non-operating revenues (expenses)	105,154	12,627
Income before transfers	(19,538)	445,405
Transfers in	-	-
Transfers out	-	-
Net increase (decrease) in net assets	\$ (19,538)	\$ 445,405

The Custodian of Notarial Records of Orleans Parish does not have any unrestricted net assets. However, it does have "restricted" net assets. These are net assets that are restricted by Louisiana revised statute 35:337(B), which states that "any unexpended or unencumbered funds remaining at the end of the fiscal year to the credit of the account of monies, fees, or sums collected by the Custodian of Notarial Records shall be dedicated to microfilming or other imaging projects to ensure the indefinite survival of the records."

Net assets of the Custodian of Notarial Records of Orleans Parish decreased by \$19,538 or .74%, from June 30, 2005 to June 30, 2006. The major cause for this decrease was revenues decreased due to Hurricane Katrina and were offset by a slight decrease in expenses.

The Custodian of Notarial Records of Orleans Parish's operating revenues decreased by \$ 801,152 or 38.22%, from June 30, 2005 to June 30, 2006. Operating expenses decreased by \$ 243,682 or 14.65% from 2005 to 2006.

Capital Assets and Long Term Debt Administration

Capital Assets

As of June 30, 2006, the Custodian of Notarial Records of Orleans Parish had \$634,514 invested in furniture, fixtures, and office equipment. This amount represents the original cost of the capital assets, and reflects a net increase (including additions and deductions) of \$43,357 or 7.33% over last year's total.

Long Term Debt

The only long-term debt that the Custodian of Notarial Records of Orleans Parish had outstanding at year-end was for compensating absences (leave) in the amount of \$26,901.

Variations between Original and Final Budgets

There were no significant variations between the original and final budget.

Economic Factors and Next Year's Budgets and Rates

The Custodian of Notarial Records of Orleans Parish considered the following factors and indicators when setting up next year's budget, rates, and fees. These factors and indicators included:

- Increased costs associated with microfilming projects and the contractors needed to implement these projects,
- Additional personnel and related costs due to additional microfilming and document restoration and preservation projects and the extensive nature of these projects.
- The effects on the economy of continuing recovery efforts related to Hurricanes Katrina and Rita for the region.

The Custodian of Notarial Records of Orleans Parish estimates that next year's annual expenses may exceed annual revenues, due to increases in the number of microfilming and other document preservation projects, however, the cash balance should cover the expected increase in expenses.

Contacting the Custodian's Financial Management

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the Custodian of Notarial Records of Orleans Parish's finances and to show accountability of the Custodian of Notarial Records of Orleans Parish for the money it receives.

If you have any questions regarding this report or need additional financial information, contact:

Stephen P. Bruno, Custodian of Notarial Records of Orleans Parish
1340 Poydras Street, Suite 360
New Orleans, LA 70112

Or call 504-680-9604

**STATE OF LOUISIANA
CUSTODIAN OF NOTARIAL RECORDS OF ORLEANS PARISH (BTA)
BALANCE SHEET
AS OF JUNE 30, 2006**

ASSETS

CURRENT ASSETS:

Cash and cash equivalents	\$ 2,411,100
Investments	
Receivables (net of allowance for doubtful accounts)(Note U)	70,225
Due from other funds (Note Y)	
Due from federal government	
Inventories	
Prepayments	
Notes receivable	
Other current assets	4,304
Total current assets	2,485,629

NONCURRENT ASSETS:

Restricted assets (Note F):	
Cash	
Investments	
Receivables	
Notes receivable	
Investments	
Capital assets (net of depreciation)(Note D)	
Land	
Buildings and improvements	
Machinery and equipment	186,486
Infrastructure	
Construction in progress	
Other noncurrent assets	
Total noncurrent assets	186,486
Total assets	\$ 2,672,115

LIABILITIES

CURRENT LIABILITIES:

Accounts payable and accruals (Note V)	\$ 19,911
Due to other funds (Note Y)	
Due to federal government	
Deferred revenues	11,030
Amounts held in custody for others	
Other current liabilities	7,700
Current portion of long-term liabilities:	
Contracts payable	
Reimbursement contracts payable	
Compensated absences payable (Note K)	
Capital lease obligations - (Note J)	
Claims and litigation payable (Note K)	
Notes payable	
Liabilities payable from restricted assets (Note Z)	
Bonds payable	
Other long-term liabilities	
Total current liabilities	38,641

NON-CURRENT LIABILITIES:

Contracts payable	
Reimbursement contracts payable	
Compensated absences payable (Note K)	26,901
Capital lease obligations (Note J)	
Claims and litigation payable (Note K)	
Notes payable	
Liabilities payable from restricted assets (Note Z)	
Bonds payable	
Other long-term liabilities	
Total long-term liabilities	26,901
Total liabilities	65,542

NET ASSETS

Invested in capital assets, net of related debt	
Restricted for:	
Capital projects	
Debt service	
Unemployment compensation	
Other specific purposes	
Unrestricted	2,606,573
Total net assets	2,606,573
Total liabilities and net assets	\$ 2,672,115

The accompanying notes are an integral part of this financial statement.

Statement A

**STATE OF LOUISIANA
CUSTODIAN OF NOTARIAL RECORDS OF ORLEANS PARISH (BTA)
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2006**

OPERATING REVENUES	
Sales of commodities and services	\$ 1,246,484
Assessments	
Use of money and property	
Licenses, permits, and fees	
Other	48,350
Total operating revenues	1,294,843
OPERATING EXPENSES	
Cost of sales and services	1,364,583
Administrative	
Depreciation	54,952
Amortization	
Total operating expenses	1,419,535
Operating income(loss)	(124,692)
NON-OPERATING REVENUES(EXPENSES)	
State appropriations	
Intergovernmental revenues (expenses)	
Taxes	
Use of money and property	42,432
Gain on disposal of fixed assets	
Loss on disposal of fixed assets	(15,102)
Federal grants	
Interest expense	
Other revenue	122,481
Other expense	(44,637)
Total non-operating revenues(expenses)	105,154
Income(loss) before contributions and transfers	(19,538)
Capital contributions	
Extraordinary item - Loss on impairment of capital assets	
Transfers in	
Transfers out	
Change in net assets	(19,538)
Total net assets - beginning as restated	2,626,111
Total net assets - ending	\$ 2,606,573

The accompanying notes are an integral part of this financial statement.

Statement B

STATE OF LOUISIANA
CUSTODIAN OF NOTARIAL RECORDS OF ORLEANS PARISH (BTA)
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2006

See Appendix A for Instructions

		Program Revenues			Net (Expense) Revenue and Changes in Net Assets
		Charges for	Operating	Capital	
	Expenses	Services	Grants and Contributions	Grants and Contributions	
CUSTODIAN	\$ 1,419,535	\$ 1,246,484	\$ 48,359	\$	\$ (124,692)
General revenues:					
Taxes					
State appropriations					
Grants and contributions not restricted to specific programs					122,481
Interest					42,432
Miscellaneous					
Disaster recovery					(44,657)
Loss on disposal of assets					(16,102)
Transfers					
Total general revenues, special items, and transfers					105,154
Change in net assets					(19,538)
Net assets - beginning as restated					2,626,111
Net assets - ending					\$ 2,606,573

**STATE OF LOUISIANA
CUSTODIAN OF NOTARIAL RECORDS OF ORLEANS PARISH (BTA)
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2006**

Cash flows from operating activities

Cash received from customers	\$	<u>1,271,763</u>	
Cash payments to suppliers for goods and services		<u>(431,130)</u>	
Cash payments to employees for services		<u>(953,281)</u>	
Payments in lieu of taxes			
Internal activity-payments to other funds			
Claims paid to outsiders			
Other operating revenues(expenses)			
Net cash provided(used) by operating activities	\$		<u>(112,658)</u>

Cash flows from non-capital financing activities

State appropriations			
Proceeds from sale of bonds			
Principal paid on bonds			
Interest paid on bond maturities			
Proceeds from issuance of notes payable			
Principal paid on notes payable			
Interest paid on notes payable			
Operating grants received			
Transfers in			
Transfers out			
Other			
Net cash provided(used) by non-capital financing activities			<u>-</u>

Cash flows from capital and related financing activities

Proceeds from sale of bonds			
Principal paid on bonds			
Interest paid on bond maturities			
Proceeds from issuance of notes payable			
Principal paid on notes payable			
Amounts paid for capital acquisitions		<u>(99,831)</u>	
Amounts paid directly for disaster recovery efforts		<u>(44,657)</u>	
Proceeds from insurance and other re-imbursements		<u>122,481</u>	
Capital contributions			
Other			
Net cash provided(used) by capital and related financing activities			<u>(22,007)</u>

Cash flows from investing activities

Purchases of investment securities			
Proceeds from sale of investment securities			
Interest and dividends earned on investment securities		<u>42,432</u>	
Net cash provided(used) by investing activities			<u>42,432</u>

Net increase(decrease) in cash and cash equivalents			<u>(92,233)</u>
Cash and cash equivalents at beginning of year			<u>2,503,333</u>
Cash and cash equivalents at end of year	\$		<u><u>2,411,100</u></u>

The accompanying notes are an integral part of this statement.

Statement D (continued)

**STATE OF LOUISIANA
CUSTODIAN OF NOTARIAL RECORDS OF ORLEANS PARISH (BTA)
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2006**

Reconciliation of operating income(loss) to net cash provided(used) by operating activities:

Operating income(loss)		\$ <u>(124,892)</u>
Adjustments to reconcile operating income(loss) to net cash		
Depreciation/amortization	54,952	
Provision for uncollectible accounts		
Changes in assets and liabilities:		
(Increase)decrease in accounts receivable, net	(20,810)	
(Increase)decrease in due from other funds		
(Increase)decrease in prepayments		
(Increase)decrease in inventories		
(Increase)decrease in other assets		
Increase(decrease) in accounts payable and accruals	(33,803)	
Increase(decrease) in accrued payroll and related benefits	5,297	
Increase(decrease) in compensated absences payable	8,668	
Increase(decrease) in due to other funds		
Increase(decrease) in deferred revenues	(2,470)	
Increase(decrease) in other liabilities		
Net cash provided(used) by operating activities		\$ <u>(112,658)</u>

Schedule of noncash investing, capital, and financing activities:

Borrowing under capital lease	\$ _____
Contributions of fixed assets	_____
Purchases of equipment on account	_____
Asset trade-ins	_____
Other (specify)	_____
_____	_____
_____	_____
Total noncash investing, capital, and financing activities:	\$ _____

The accompanying notes are an integral part of this statement.

Statement D (concluded)

**STATE OF LOUISIANA
CUSTODIAN OF NOTARIAL RECORDS OF ORLEANS PARISH (BTA)
Notes to the Financial Statement
As of and for the year ended June 30, 2006**

INTRODUCTION

The Custodian of Notarial Records of Orleans Parish, State of Louisiana (the Custodian) was created by Act 147 of the Louisiana legislature in 1867. This act stated that a central office be established and provide a custodian to care for and discharge the duties of that office. As provided by Louisiana revised statute 35:322, the Custodian is appointed by the Governor for a term of four years. The term of office shall run concurrent with that of the Governor. The Custodian's office is New Orleans, Louisiana and its primary revenues are filing fees, copying fees and documentary transaction tax fees.

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. BASIS OF ACCOUNTING

In April of 1984, the Financial Accounting Foundation established the Governmental Accounting Standards Board (GASB) to promulgate generally accepted accounting principles and reporting standards with respect to activities and transactions of state and local governmental entities. The GASB has issued a Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification). This codification and subsequent GASB pronouncements are recognized as generally accepted accounting principles for state and local governments. The accompanying financial statements have been prepared in accordance with such principles.

The accompanying financial statements of CUSTODIAN OF NOTARIAL RECORDS OF ORLEANS PARISH (the Custodian) present information only as to the transactions of the programs of the Custodian as authorized by Louisiana statutes and administrative regulations.

Basis of accounting refers to when revenues and expenses are recognized and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The accounts of the Custodian are maintained in accordance with applicable statutory provisions and the regulations of the Division of Administration – Office of Statewide Reporting and Accounting Policy as follows:

Revenue Recognition

Revenues are recognized using the full accrual basis of accounting; therefore, revenues are recognized in the accounting period in which they are earned and become measurable.

Expense Recognition

Expenses are recognized on the accrual basis; therefore, expenses, including salaries, are recognized in the period incurred, if measurable.

B. BUDGETARY ACCOUNTING NOT APPLICABLE

The appropriations made for the operations of the various programs of the _____ (BTA) are annual lapsing appropriations.

1. The budgetary process is an annual appropriation valid for one year.
2. The agency is prohibited by statute from over expending the categories established in the budget.
3. Budget revisions are granted by the Joint Legislative Committee on the Budget, a committee of the Louisiana Legislature. Interim emergency appropriations may be granted by the Interim Emergency Board.
4. The budgetary information included in the financial statements includes the original appropriation plus subsequent amendments as follows:

STATE OF LOUISIANA
CUSTODIAN OF NOTARIAL RECORDS OF ORLEANS PARISH (BTA)
Notes to the Financial Statement
As of and for the year ended June 30, 2006

	<u>APPROPRIATIONS</u>
Original approved budget	\$ _____
Amendments:	_____

Final approved budget	\$ _____

C. DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS (If all agency cash and investments are deposited in the State Treasury, disregard Note C.) See Appendix B for information related to Note C.

1. DEPOSITS WITH FINANCIAL INSTITUTIONS

For reporting purposes, deposits with financial institutions include savings, demand deposits, time deposits, and certificates of deposit. Under state law the Custodian (BTA) may deposit funds within a fiscal agent bank selected and designated by the Interim Emergency Board. Further, the (BTA) may invest in time certificates of deposit in any bank domiciled or having a branch office in the state of Louisiana; in savings accounts or shares of savings and loan associations and savings banks and in share accounts and share certificate accounts of federally or state chartered credit unions.

For the purpose of the Statement of Cash Flows, all highly liquid investments (including restricted assets with a maturity of three months or less when purchased) are considered to be cash equivalents.

Deposits in bank accounts are stated at cost, which approximates market. Under state law these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These pledged securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank in the form of safekeeping receipts held by the State Treasurer.

GASB Statement 40, which amended GASB Statement 3, eliminated the requirement to disclose all deposits by the three categories of risk. GASB Statement 40 requires only the disclosure of deposits that are considered to be exposed to custodial credit risk. An entity's deposits are exposed to custodial credit risk if the deposit balances are either 1) uninsured and uncollateralized, 2) uninsured and collateralized with securities held by the pledging financial institution, or 3) uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the entity's name.

The deposits at June 30, 2006, consisted of the following:

STATE OF LOUISIANA
CUSTODIAN OF NOTARIAL RECORDS OF ORLEANS PARISH (BTA)
Notes to the Financial Statement
As of and for the year ended June 30, 2006

	<u>Cash</u>	<u>Certificates of Deposit</u>	<u>Other (Describe)</u>	<u>Total</u>
Deposits in Bank Accounts Per Balance Sheet	\$ <u>610,975</u>	\$ <u>1,800,000</u>	\$ _____	\$ <u>2,410,975</u>
Bank Balances of Deposits Exposed to Custodial Credit Risk				
a. Uninsured and uncollateralized	\$ _____	\$ _____	\$ _____	\$ _____
b. Uninsured and collateralized with securities held by the pledging institution	_____	_____	_____	_____
c. Uninsured and collateralized with securities held by the pledging institution's trust department or agent but not in the entity's name	_____	_____	_____	_____
Total Bank Balances - All Deposits	\$ <u>715,912</u>	\$ <u>1,800,000</u>	\$ _____	\$ <u>2,515,912</u>

NOTE: The "Total Bank Balances - All Deposits" will not necessarily equal the "Deposits in Bank Account per Balance Sheet" due to outstanding items.

The following is a breakdown by banking institution, program, account number, and amount of the balances shown above:

<u>Banking Institution</u>	<u>Program</u>	<u>Amount</u>
1. Whitney National Bank	Custodian operations	\$ <u>675,825</u>
2. Whitney National Bank	Custodian operations	<u>1,800,000</u>
3. Whitney National Bank	Custodian grant account	<u>40,087</u>
4. _____	_____	_____
Total		\$ <u>2,515,912</u>

Cash in State Treasury and petty cash are not required to be reported in the note disclosure. However, to aid in reconciling amounts reported on the balance sheet to amounts reported in this note, list below any cash in treasury and petty cash that are included on the balance sheet.

Cash in State Treasury	\$ <u>0.00</u>
Petty cash	\$ <u>125.00</u>

2. INVESTMENTS NOT APPLICABLE

The _____ (BTA) does/does not maintain investment accounts as authorized by _____ (Note legal provisions authorizing investments by (BTA)).

Custodial Credit Risk

Investments can be exposed to custodial credit risk if the securities underlying the investment are uninsured, not registered in the name of the entity, and are either held by the counterparty or the counterparty's trust department or agent but not in the entity's name. Using the following table, list each type of investment disclosing the total carrying amounts and market values, and any amounts exposed to custodial credit risk.

As of and for the year ended June 30, 2006

GASB Statement 40 amended GASB Statement 3 to eliminate the requirement to disclose all investments by the three categories of risk. GASB Statement 40 requires only the separate disclosure of investments that are considered to be exposed to custodial credit risk. Those investments exposed to custodial credit risk are reported by type in one of two separate columns depending upon whether they are held by a counterparty, or held by a counterparty's trust department or agent not in the entity's name. In addition, the total reported amount and fair value columns still must be reported for total investments regardless of exposure to custodial credit risk.

	Investments Exposed to Custodial Credit Risk		All Investments Regardless of Custodial Credit Risk Exposure
	Uninsured, *Unregistered, and Held by Counterparty's Trust Dept. or <u>Agent Not in Entity's Name</u>		
<u>Type of Investment</u>	<u>Uninsured, *Unregistered, and Held by Counterparty</u>	<u>Reported Amount</u>	<u>Fair Value</u>
Repurchase agreements	\$ _____	\$ _____	\$ _____
U.S. Government securities	_____	_____	_____
U. S. Agency Obligations	_____	_____	_____
Common & preferred stock	_____	_____	_____
Commercial paper	_____	_____	_____
Corporate bonds	_____	_____	_____
Other: (Identify)	_____	_____	_____
	_____	_____	_____
	_____	_____	_____
	_____	_____	_____
	_____	_____	_____
	_____	_____	_____
	_____	_____	_____
Total investments	\$ _____ - \$ _____	\$ _____ - \$ _____	-

3. Derivatives

The institution does/does not (circle one) invest in derivatives as part of its investment policy. Accordingly, the exposure to risk from these investments is as follows:

credit risk _____

market risk _____

legal risk _____

4. Credit Risk, Interest Rate Risk, Concentration of Credit Risk, and Foreign Currency Risk Disclosures

A. Credit Risk of Debt Investments

Disclose the credit risk of debt investments by credit quality ratings as described by rating agencies as of the fiscal year end. All debt investments regardless of type can be aggregated by credit quality rating (if any are un-rated, disclose that amount).

STATE OF LOUISIANA
CUSTODIAN OF NOTARIAL RECORDS OF ORLEANS PARISH (BTA)
Notes to the Financial Statement
As of and for the year ended June 30, 2006

<u>Rating</u>	<u>Fair Value</u>
	\$
Total	\$ -

B. Interest rate Risk

1. Disclose the interest rate risk of debt investments by listing the investment type, total fair value, and breakdown of maturity in years for each debt investment type.

<u>Type of Debt Investment</u>	<u>Fair Value</u>	<u>Investment Maturities (In Years)</u>			
		<u>Less Than 1</u>	<u>1 - 5</u>	<u>6 - 10</u>	<u>Greater Than 10</u>
U.S. Government obligations	\$	\$	\$	\$	\$
U.S. Agency obligations					
U.S. Treasury obligations					
Mortgage backed securities					
Collateralized mortgage obligations					
Corporate bonds					
Other bonds					
Mutual funds					
Other					
Total debt investments	\$ -	\$ -	\$ -	\$ -	\$ -

2. List the fair value and terms of any debt investments that are highly sensitive to changes in interest rates due to the terms of the investment (e.g. coupon multipliers, reset dates, etc.):

<u>Debt Investment</u>	<u>Fair Value</u>	<u>Terms</u>
	\$	
Total	\$ -	

C. Concentration of Credit Risk

List, by amount and issuer, investments in any one issuer (not including U.S. government securities, mutual funds, and external investment pools) that represents 5% or more of total investments.

STATE OF LOUISIANA
CUSTODIAN OF NOTARIAL RECORDS OF ORLEANS PARISH (BTA)
Notes to the Financial Statement
As of and for the year ended June 30, 2006

<u>Issuer</u>	<u>Amount</u>	<u>% of Total Investments</u>
_____	\$ _____	_____
_____	_____	_____
_____	_____	_____
Total	\$ _____	-

D. Foreign Currency Risk

Disclose the U.S. dollar balances of any deposits or investments that are exposed to foreign currency risk (deposits or investments denominated in foreign currencies); list by currency denomination and investment type, if applicable.

<u>Foreign Currency</u>	<u>Fair Value in U.S. Dollars</u>	
	<u>Bonds</u>	<u>Stocks</u>
_____	\$ _____	\$ _____
_____	_____	_____
_____	_____	_____
Total	\$ _____	\$ _____

5. Policies

Briefly describe the deposit and/or investment policies related to the custodial credit risk, credit risk of debt investments, concentration of credit risk, interest rate risk, and foreign currency risk disclosed in this note. If no policy exists concerning the risks disclosed, please state that fact.

6. Other Disclosures Required for Investments

- Investments in pools managed by other governments or mutual funds _____
- Securities underlying reverse repurchase agreements _____
- Unrealized investment losses _____
- Commitments as of _____ (fiscal close), to resell securities under yield maintenance repurchase agreements:
 - Carrying amount and market value at June 30 of securities to be resold _____
 - Description of the terms of the agreement _____

STATE OF LOUISIANA
CUSTODIAN OF NOTARIAL RECORDS OF ORLEANS PARISH (BTA)
Notes to the Financial Statement
As of and for the year ended June 30, 2006

- e. Losses during the year due to default by counterparties to deposit or investment transactions _____
- f. Amounts recovered from prior-period losses which are not shown separately on the balance sheet _____

Legal or Contractual Provisions for Reverse Repurchase Agreements

- g. Source of legal or contractual authorization for use of reverse repurchase agreements _____
- h. Significant violations of legal or contractual provisions for reverse repurchase agreements that occurred during the year _____

Reverse Repurchase Agreements as of Year-End

- i. Credit risk related to the reverse repurchase agreements (other than yield maintenance agreements) outstanding at year end, that is, the aggregate amount of reverse repurchase agreement obligations including accrued interest compared to aggregate market value of the securities underlying those agreements including interest _____
- j. Commitments on _____ (fiscal close) to repurchase securities under yield maintenance agreements _____
- k. Market value on _____ (fiscal close) of the securities to be repurchased _____
- l. Description of the terms of the agreements to repurchase _____
- m. Losses recognized during the year due to default by counterparties to reverse repurchase agreements _____
- n. Amounts recovered from prior-period losses which are not separately shown on the operating statement _____

Fair Value Disclosures

- o. Methods and significant assumptions used to estimate fair value of investments, if fair value is not based on quoted market prices _____
- p. Basis for determining which investments, if any, are reported at amortized cost _____
- q. For investments in external investment pools that are not SEC-registered, a brief description of any regulatory oversight for the pool _____
- r. Whether the fair value of your investment in the external investment pool is the same as the value of the pool shares _____
- s. Any involuntary participation in an external investment pool _____
- t. If you are unable to obtain information from a pool sponsor to determine the fair value of your investment in the pool, methods used and significant assumptions made in determining fair value and the reasons for having had to make such an estimate _____

STATE OF LOUISIANA
CUSTODIAN OF NOTARIAL RECORDS OF ORLEANS PARISH (BTA)
Notes to the Financial Statement
As of and for the year ended June 30, 2006

u. Any income from investments associated with one fund that is assigned to another fund

D. CAPITAL ASSETS – INCLUDING CAPITAL LEASE ASSETS

The fixed assets used in the Special Purpose Government Engaged only in Business-Type Activities are included on the balance sheet of the entity and are capitalized at cost. Depreciation of all exhaustible fixed assets used by the entity is charged as an expense against operations. Accumulated depreciation is reported on the balance sheet. Depreciation for financial reporting purposes is computed by the straight-line method over the useful lives of the assets.

Year ended June 30, 2006							
	Balance 6/30/2005	Prior Period Adjustment	Adjusted Balance 7/1/2006	Additions	Transfers*	Retirements	Balance 6/30/2006
Capital assets not being depreciated							
Land	\$	\$	\$	\$	\$	\$	\$
Non-depreciable land improvements							
Capitalized collections							
Construction in progress							
Total capital assets not being depreciated	\$	\$	\$	\$	\$	\$	\$
Other capital assets							
Furniture, fixtures, and equipment	\$ 591,157	\$	\$ 591,157	\$ 99,831	\$	\$ (56,474)	\$ 634,514
Less accumulated depreciation	(434,448)		(434,448)	(54,952)		41,372	(448,028)
Total furniture, fixtures, and equipment	156,709	–	156,709	44,879	–	(15,102)	186,486
Buildings and improvements							
Less accumulated depreciation							
Total buildings and improvements	–	–	–	–	–	–	–
Depreciable land improvements							
Less accumulated depreciation							
Total depreciable land improvements	–	–	–	–	–	–	–
Infrastructure							
Less accumulated depreciation							
Total infrastructure	–	–	–	–	–	–	–
Total other capital assets	\$ 156,709	\$ –	\$ 156,709	\$ 44,879	\$ –	\$ (15,102)	\$ 186,486
Capital Asset Summary:							
Capital assets not being depreciated	\$	\$	\$	\$	\$	\$	\$
Other capital assets, at cost	591,157	–	591,157	99,831	–	(56,474)	634,514
Total cost of capital assets	591,157	–	591,157	99,831	–	(56,474)	634,514
Less accumulated depreciation	(434,448)	–	(434,448)	(54,952)	–	41,372	(448,028)
Capital assets, net	\$ 156,709	\$ –	\$ 156,709	\$ 44,879	\$ –	\$ (15,102)	\$ 186,486

* Should be used only for those completed projects coming out of construction-in-progress to fixed assets; not associated with transfers reported elsewhere in this packet.

**STATE OF LOUISIANA
CUSTODIAN OF NOTARIAL RECORDS OF ORLEANS PARISH (BTA)
Notes to the Financial Statement
As of and for the year ended June 30, 2006**

E. INVENTORIES NOT APPLICABLE

The BTA's inventories are valued at _____ (method of valuation). These are perpetual inventories and are expensed when used. **NOTE: DO NOT INCLUDE POSTAGE. THIS IS SHOWN AS A PREPAYMENT.**

F. RESTRICTED ASSETS

Restricted assets in the Custodian (BTA) at June 30, 2006, reflected at \$_____ in the non-current assets section on Statement A, consisting of \$_____ in cash with fiscal agent, \$_____ in receivables, and \$_____ investment in _____.
(Identify the type of investments held.) State the purpose of the restrictions:

G. LEAVE

1. COMPENSATED ABSENCES

The Custodian (BTA) has the following policy on annual and sick leave:

Annual leave of one to three weeks is earned on a calendar year basis depending on the length of service. Annual leave earned must be used within that calendar year or during the following calendar year and may not be accumulated or carried forward to subsequent years. Compensation in lieu of any remaining leave time is not available.

Sick leave is earned on a calendar year basis at a rate of one day per month. Any unused accrued sick leave available to the employee at the end of the current calendar year can be carried forward from year to year for a maximum of 200 days. Compensation in lieu of leave time is not available. Accumulated sick leave is not paid upon termination of employment; however, Louisiana law (R.S. 11:424) provides that certified unused sick leave may be converted to retirement benefit credits.

2. COMPENSATORY LEAVE - NOT APPLICABLE

Employees who are considered having non-exempt status according to the guidelines contained in the Fair Labor Standards Act may be paid for compensatory leave earned (K-time). Upon termination or transfer, an employee will be paid for any time and one-half compensatory leave earned and may or may not be paid for any straight hour-for-hour compensatory leave earned. Compensation paid will be based on the employees' hourly rate of pay at termination or transfer. The liability for accrued payable compensatory leave at _____ (fiscal close) computed in accordance with the Codification of Governmental Accounting and Financial Reporting Standards, Section C60.105 is estimated to be \$_____. The leave payable (is) (is not) recorded in the accompanying financial statements.

H. RETIREMENT SYSTEM

Substantially all of the employees of the (BTA) are members of the Louisiana State Employees Retirement System (LASERS), a single employer defined benefit pension plan. The System is a statewide public employee retirement system (PERS) for the benefit of state employees, which is administered and controlled by a separate board of trustees. (Note: If LASERS is not your entity's retirement system, indicate the retirement system that is and replace any wording in this note that doesn't apply to your retirement system with the applicable wording.)

All full-time (BTA) employees are eligible to participate in the System unless they elect to continue as a contributing member in any other retirement system for which they remain eligible for membership. Certain elected officials and officials appointed by the governor may, at their option, become members of LASERS. Normal benefits vest with 10 years of service. Generally, retirement age employees are entitled to annual

**STATE OF LOUISIANA
CUSTODIAN OF NOTARIAL RECORDS OF ORLEANS PARISH (BTA)
Notes to the Financial Statement
As of and for the year ended June 30, 2006**

benefits equal to \$300 plus 2.5% of their highest consecutive 36 months' average salary multiplied by their years of credited service except for members eligible to begin participation in the Defined Benefit Plan (DBP) on or after July 1, 2006. Act 75 of the 2005 Regular Session changes retirement eligibility and final average compensation for members who are eligible to begin participation in the DBP beginning July 1, 2006. Retirement eligibility for these members is limited to age 60, or thereafter, upon attainment of ten years of creditable service. Final average compensation will be based on the member's average annual earned compensation for the highest 60 consecutive months of employment.

Vested employees eligible to begin participation in the DBP before July 1, 2006, are entitled to a retirement benefit, payable monthly for life at (a) any age with 30 years of service, (b) age 55 with 25 years of service, or (c) age 60 with 10 years of service. In addition, these vested employees have the option of reduced benefits at any age with 20 years of service. Those hired on or after July 1, 2006 have only a single age option. They cannot retire until age 60 with a minimum of 10 years of service. The System also provides death and disability benefits and deferred benefit options, with qualifications and amounts defined by statute. Benefits are established or amended by state statute. The System issues a publicly available annual financial report that includes financial statements and required supplementary information for the System. For a full description of the LASERS defined benefit plan, please refer to the LASERS 2006 Financial Statements, specifically, footnotes A – Plan Description and C – Contributions. That report may be obtained by writing to the Louisiana State Employees Retirement System, Post Office Box 44213, Baton Rouge, Louisiana 70804-4213, or by calling (225) 922-0608 or (800) 256-3000. The footnotes to the Financial Statements contain additional details and is also available on-line at: http://www.lasers.state.la.us/PDFs/Publications_and_Reports/Fiscal_Documents/Comprehensive_Financial_Reports/Comprehensive%20Financial%20Reports_05.pdf

Members are required by state statute to contribute with the single largest group ("regular members") contributing 7.5% of gross salary, and the (BTA) is required to contribute at an actuarially determined rate as required by R.S. 11:102. The contribution rate for the fiscal year ended June 30, 2006, increased to 19.1% of annual covered payroll from the 17.8% and 15.8% required in fiscal years ended June 30, 2005 and 2004 respectively. The (BTA) contributions to the System for the years ending June 30, 2006, 2005, and 2004, were \$117,592, \$123,589, and \$103,229, respectively, equal to the required contributions for each year.

I. POST RETIREMENT HEALTH CARE AND LIFE INSURANCE BENEFITS

GASB 12 requires the following disclosures about an employer's accounting for post retirement health care and life insurance benefits: **(NOTE: Ensure that the number of retirees is disclosed below)**

1. A description of the benefits provided and the employee group covered.
2. A description of the accounting and funding policies followed for those benefits.
3. The cost of those benefits recognized for the period, unless the costs are not readily determinable.*
4. The effect of significant matters affecting the comparability of the costs recognized for all periods presented.

*If the cost of any post retirement health care or life insurance benefits for retirees cannot readily be separated from the cost of providing such benefits for active employees or otherwise be reasonably approximated, the total cost of providing those benefits to active employees and retirees, as well as the number of active employees and the number of retirees covered by the plan must be disclosed (part (b) below).

The Custodian (BTA) provides certain continuing health care and life insurance benefits for its retired employees. Substantially all (BTA) employees become eligible for post employment health care and life insurance benefits if they reach normal retirement age while working for the (BTA). These benefits for retirees and similar benefits for active employees are provided through an insurance company whose premiums are paid jointly by the employee and the (BTA). Complete (a) below if the cost of retiree post-employment health care benefits can be separated from active employees, otherwise complete part (b).

- a) For 2006, the cost of providing those benefits for the 7 (seven) retirees (# of retirees) totaled \$ 48,953.

STATE OF LOUISIANA
CUSTODIAN OF NOTARIAL RECORDS OF ORLEANS PARISH (BTA)
Notes to the Financial Statement
As of and for the year ended June 30, 2006

J. LEASES

NOTE: Where five-year amounts are requested, list the total amount (sum) for the five-year period, not the annual amount for each of the five years.)

1. OPERATING LEASES

The total payments for operating leases during fiscal year 2006 amounted to \$ 76,582. (Note: If lease payments extend past FY 2021, create additional columns and report these future minimum lease payments in five year increments.) A schedule of payments for operating leases follows:

<u>Nature of lease</u>	<u>FY 2007</u>	<u>FY 2008</u>	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2011</u>	<u>FY 2012- 2016</u>	<u>FY 2017- 2021</u>
Office space	\$ 154,020	\$ 51,340	\$	\$	\$	\$	\$
Total	\$ 154,020	\$ 51,340	\$ -	\$ -	\$ -	\$ -	\$ -

2. CAPITAL LEASES

Capital leases are / are not recognized in the accompanying financial statements. The amounts to be accrued for capital leases and the disclosures required for capital and operating leases by National Council on Governmental Accounting (NCGA) Statement No. 5, as adopted by the Governmental Accounting Standards Board, and FASB 13 should be reported on the following schedules:

Capital leases are defined as an arrangement in which any one of the following conditions apply: (1) ownership transfers by the end of the lease, (2) the lease contains a bargain purchase option, (3) the lease term is 75% of the asset life or, (4) the discounted minimum lease payments are 90% of the fair market value of the asset.

Schedule A should be used to report all capital leases including new leases in effect as of 6/30/06. In Schedule B, report only those new leases entered into during fiscal year 2006-2006.

STATE OF LOUISIANA
CUSTODIAN OF NOTARIAL RECORDS OF ORLEANS PARISH (BTA)
Notes to the Financial Statement
As of and for the year ended June 30, 2006

SCHEDULE A - TOTAL AGENCY CAPITAL LEASES EXCEPT LEAF

<u>Nature of lease</u>	<u>Gross Amount of Leased Asset (Historical Costs)</u>	<u>Remaining Interest to end of lease</u>	<u>Remaining principal to end of lease</u>
a. Office space	\$ _____	\$ _____	\$ _____
b. Equipment	_____	_____	_____
c. Land	_____	_____	_____
Total	\$ <u> - </u>	\$ <u> - </u>	\$ <u> - </u>

The following is a schedule by years of future minimum lease payments under capital leases together with the present value of the minimum lease payments as of (last day of your fiscal year) and a breakdown of yearly principal and interest: (Note: If lease payments extend past FY2026, create additional rows and report these future minimum lease payments in five year increments.)

<u>Year ending June 30 :</u>	<u>Total</u>
2007	\$ _____
2008	_____
2009	_____
2010	_____
2011	_____
2012-2016	_____
2017-2021	_____
2022-2026	_____
Total minimum lease payments	_____
Less amounts representing executory costs	_____
Net minimum lease payments	_____
Less amounts representing interest	_____
Present value of net minimum lease payments	\$ <u> - </u>

STATE OF LOUISIANA
CUSTODIAN OF NOTARIAL RECORDS OF ORLEANS PARISH (BTA)
Notes to the Financial Statement
As of and for the year ended June 30, 2006

SCHEDULE B – NEW AGENCY CAPITAL LEASES EXCEPT LEAF

<u>Nature of lease</u>	<u>Gross Amount of Leased Asset (Historical Costs)</u>	<u>Remaining interest to end of lease</u>	<u>Remaining principal to end of lease</u>
a. Office space	\$ _____	\$ _____	\$ _____
b. Equipment	_____	_____	_____
c. Land	_____	_____	_____
Total	\$ _____ _____	\$ _____ _____	\$ _____ _____

The following is a schedule by years of future minimum lease payments under capital leases together with the present value of the net minimum lease payments as of (last day of your fiscal year) and a breakdown of yearly principal and interest: (Note: If lease payments extend past FY2026, create additional rows and report these future minimum lease payments in five year increments.)

<u>Year ending June 30:</u>	<u>Total</u>
2007	\$ _____
2008	_____
2009	_____
2010	_____
2011	_____
2012-2016	_____
2017-2021	_____
2022-2026	_____
Total minimum lease payments	_____
Less amounts representing executory costs	_____
Net minimum lease payments	_____
Less amounts representing interest	_____
Present value of net minimum lease payments	\$ _____

STATE OF LOUISIANA
CUSTODIAN OF NOTARIAL RECORDS OF ORLEANS PARISH (BTA)
Notes to the Financial Statement
As of and for the year ended June 30, 2006

SCHEDULE C – LEAF CAPITAL LEASES

<u>Nature of lease</u>	<u>Gross Amount of Leased Asset (Historical Costs)</u>	<u>Remaining interest to end of lease</u>	<u>Remaining principal to end of lease</u>
a. Office space	\$ _____	\$ _____	\$ _____
b. Equipment	_____	_____	_____
c. Land	_____	_____	_____
Total	\$ <u> - </u>	\$ <u> - </u>	\$ <u> - </u>

The following is a schedule by years of future minimum lease payments under capital leases together with the present value of the net minimum lease payments as of (last day of your fiscal year) and a breakdown of yearly principal and interest: (Note: If lease payments extend past FY2026, create additional rows and report these future minimum lease payments in five year increments.)

<u>Year ending June 30:</u>	<u>Total</u>
2007	\$ _____
2008	_____
2009	_____
2010	_____
2011	_____
2012-2016	_____
2017-2021	_____
2022-2026	_____
Total minimum lease payments	-
Less amounts representing executory costs	_____
Net minimum lease payments	-
Less amounts representing interest	_____
Present value of net minimum lease payments	\$ _____

3. LESSOR DIRECT FINANCING LEASES

A lease is classified as a direct financing lease (1) when any one of the four capitalization criteria used to define a capital lease for the lessee is met and (2) when both the following criteria are satisfied:

- Collectibility of the minimum lease payments is reasonably predictable.
- No important uncertainties surround the amount of the unreimbursable costs yet to be incurred by the lessor under the lease.

STATE OF LOUISIANA
CUSTODIAN OF NOTARIAL RECORDS OF ORLEANS PARISH (BTA)
Notes to the Financial Statement
As of and for the year ended June 30, 2006

Provide a general description of the direct financing agreement and complete the chart below:

<u>Composition of lease</u>	<u>Date of lease</u>	<u>Minimum lease payment receivable</u>	<u>Remaining interest to end of lease</u>	<u>Remaining principal to end of lease</u>
a. Office space	_____	\$ _____	\$ _____	\$ _____
b. Equipment	_____	_____	_____	_____
c. Land	_____	_____	_____	_____
Less amounts representing executory costs		_____		
Minimum lease payment receivable		_____		
Less allowance for doubtful accounts		_____		
Net minimum lease payments receivable		_____		
Less estimated residual value of leased property		_____		
Less unearned income		_____		
Net investment in direct financing lease		\$ _____		

Minimum lease payment receivables do not include contingent rentals which may be received as stipulated in the lease contracts. Contingent rental payments occur if, for example, the use of the equipment, land, or building etc., exceeds a certain level of activity each year. Contingent rentals received for fiscal year 2006 were \$_____ for office space, \$_____ for equipment, and \$_____ for land.

The following is a schedule by year of minimum leases receivable for the remaining fiscal years of the lease as of _____ (the last day of your fiscal year): (Note: If lease receivables extend past FY2026, please create additional rows and report these future minimum lease payment receivables in five year increments.)

Year ending _____:	
2007	\$ _____
2008	_____
2009	_____
2010	_____
2011	_____
2012-2016	_____
2017-2021	_____
2022-2026	_____
Total	\$ _____

4. LESSOR – OPERATING LEASE NOT APPLICABLE

When a lease agreement does not satisfy at least one of the four criteria (common to both lessee and lessor accounting), and both of the criteria for a lessor (collectibility and no uncertain reimbursable costs), the lease is classified as an operating lease. In an operating lease, there is no simulated sale and the lessor simply records rent revenues as they become measurable and available.

STATE OF LOUISIANA
CUSTODIAN OF NOTARIAL RECORDS OF ORLEANS PARISH (BTA)
Notes to the Financial Statement
As of and for the year ended June 30, 2006

Provide the cost and carrying amount, if different, of property on lease or held for lease organized by major class of property and the amount of accumulated depreciation as of _____ 20__:

	<u>Cost</u>	<u>Accumulated depreciation</u>	<u>Carrying amount</u>
a. Office space	\$ _____	\$ _____	\$ _____
b. Equipment	_____	_____	_____
c. Land	_____	_____	_____
Total	\$ _____	\$ _____	\$ _____

The following is a schedule by years of minimum future rentals receivable on non-cancelable operating lease(s) as of _____ (the last day of your fiscal year): (Note: If lease receivables extend past FY2021, please create additional columns and report these future minimum lease payment receivables in five year increments.)

<u>Year Ended</u> <u>June 30,</u>	<u>Office Space</u>	<u>Equipment</u>	<u>Land</u>	<u>Other</u>	<u>Total</u>
2007	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
2008					-
2009					-
2010					-
2011					-
2012-2016					-
2017-2021					-
Total	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____

Current year lease revenues received in fiscal year _____ totaled \$_____.

Contingent rentals received from operating leases received for your fiscal year was \$ _____ for office space, \$ _____ for equipment, and \$ _____ for land.

STATE OF LOUISIANA
CUSTODIAN OF NOTARIAL RECORDS OF ORLEANS PARISH (BTA)
Notes to the Financial Statement
As of and for the year ended June 30, 2006

K. LONG-TERM LIABILITIES

The following is a summary of long-term debt transactions of the entity for the year ended June 30, 2006
 (Balances at June 30th should include current and non-current portion of long-term liabilities.)

	<u>Year ended June 30, 2006</u>			<u>Balance June 30, 2006</u>	<u>Amounts due within one year</u>
	<u>Balance June 30, 2005</u>	<u>Additions</u>	<u>Reductions</u>		
Notes and bonds payable:					
Notes payable	\$	\$	\$	\$ -	\$
Reimbursement contracts payable				-	
Bonds payable				-	
Total notes and bonds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other liabilities:					
Contracts payable				-	
Compensated absences payable	18,233	8,668		26,901	-
Capital lease obligations				-	
Claims and litigation				-	
Liabilities payable from restricted assets				-	
Other long-term liabilities				-	
Total other liabilities	<u>18,233</u>	<u>8,668</u>	<u>-</u>	<u>26,901</u>	<u>-</u>
Total long-term liabilities	<u>\$ 18,233</u>	<u>\$ 8,668</u>	<u>\$ -</u>	<u>\$ 26,901</u>	<u>\$ -</u>

(Send OSRAP a copy of the amortization schedule for any new debt issued.)

L. CONTINGENT LIABILITIES NOT APPLICABLE

GAAP require that the notes to the financial statements disclose any situation where there is at least a reasonable possibility that assets have been impaired or that a liability has been incurred along with the dollar amount if it can reasonably be estimated. **Do not report impaired capital assets as defined by GASB 42 below, rather disclose GASB 42 impaired capital assets in Note CC.** Losses or ending litigation that is probable should be reflected on the balance sheet.

The _____ (BTA) is a defendant in litigation seeking damages as follows: (Only list litigation not being handled by the Office of Risk Management or the Attorney General.)

<u>Date of Action</u>	<u>Description of Litigation and Probable outcome (Remote, reasonably possible, or probable)</u>	<u>*Damages Claimed</u>	<u>Insurance Coverage</u>
		\$	\$
Totals		\$ -	\$ -

*Note: Liability for claims and judgments should include should include specific, incremental claim expenses if known or if it can be estimated. For example, the cost of outside legal assistance on a particular claim may be an incremental cost, whereas assistance from internal legal staff on a claim may

STATE OF LOUISIANA
CUSTODIAN OF NOTARIAL RECORDS OF ORLEANS PARISH (BTA)
Notes to the Financial Statement
As of and for the year ended June 30, 2006

not be incremental because the salary costs for internal staff normally will be incurred regardless of the claim. (See GASB 30, paragraph 9)

Claims and litigation costs of \$_____ (include incremental cost discussed above) were incurred in the current year and are reflected in the accompanying financial statement.

Disclose any cases where it is probable that a liability has been incurred, but the effect of the liability has not been reflected in the financial statements because it can not be estimated. _____

Disclose any guarantee of indebtedness even if there is only a remote chance that the government will be called on to honor its guarantee. _____

M. RELATED PARTY TRANSACTIONS NOT APPLICABLE

FASB 57 requires disclosure of the description of the relationship, the transaction(s), the dollar amount of the transaction(s) and any amounts due to or from which result from related party transactions. List all related party transactions. _____

N. ACCOUNTING CHANGES NOT APPLICABLE

Accounting changes made during the year involved a change in accounting _____ (principle, estimate or entity). The effect of the change is being shown in _____.

O. IN-KIND CONTRIBUTIONS NOT APPLICABLE

List all in-kind contributions that are not included in the accompanying financial statements.

<u>In-Kind Contributions</u>	<u>Cost/Estimated Cost/Fair Market Value/As Determined by the Grantor</u>
_____	\$ _____
_____	_____
_____	_____
_____	_____
_____	_____
Total	\$ _____

P. DEFEASED ISSUES NOT APPLICABLE

In _____, 20____, the _____ (BTA), issued \$_____ of taxable bonds. The purpose of the issue was to provide monies to advance refund portions of _____ bonds. In order to refund the bonds, portions of the proceeds of the new issue \$_____, plus an additional \$_____ of sinking fund monies together with certain other funds and/or securities, were deposited and held in an escrow fund created pursuant to an escrow deposit agreement dated _____ between the (BTA) and the escrow trustee. The amount in the escrow, together with interest earnings, will be used to pay the principal, redemption

STATE OF LOUISIANA
CUSTODIAN OF NOTARIAL RECORDS OF ORLEANS PARISH (BTA)
Notes to the Financial Statement
As of and for the year ended June 30, 2006

premium, and interest when due. The refunding resulted in reducing the total debt service payments by almost \$ _____ and gave the (BTA) an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$ _____.

Q. COOPERATIVE ENDEAVORS NOT APPLICABLE

LRS 33:9022 defines cooperative endeavors as any form of economic development assistance between and among the state of Louisiana, its local governmental subdivisions, political corporations, public benefit corporations, the United States government or its agencies, or any public or private association, corporation, or individual. The term cooperative endeavor includes cooperative financing, cooperative development, or any form of cooperative economic development activity. The state of Louisiana has entered into cooperative endeavor agreements with certain entities aimed at developing the economy of the state.

Some cooperative endeavor contracts are not coded with a document type of "COP" on the Contract Financial Management Subsystem (CFMS), but are considered cooperative endeavors. Include these below with your cooperative endeavor contracts coded with a document type of "COP". Examples of contracts that are considered cooperative endeavors, but are not coded with a document type of "COP" include contracts that fall under delegated authority, Facility Planning and Control "CEA" contracts, certain federal government contracts, contracts that legislative auditors may have designated as such within your agency, work incumbent programs, etc. In prior years, this information was requested as supplemental documentation after the AFRs were submitted, usually in October or November.

The liability outstanding for fiscal year ending June 30, 2006, by funding source, is as follows:

<u>Funding Source</u>	<u>Balance June 30, 2006</u>
State General Fund	\$ _____
Self-generated revenue	_____
Statutorily dedicated revenue	_____
General obligation bonds	_____
Federal funds	_____
Interagency transfers	_____
Other funds/combination	_____
Total	\$ _____

NOTE: Amounts in excess of contract limits **cannot** be used to reduce the outstanding contract balance at June 30, 2006. For example, if a contract specifies a percentage of usage for each month (25%) and usage exceeds that percentage (75%), you cannot claim actual usage that exceeds contract requirements (50%).

NOTE: In order to compute ending balances by funding source, you should begin with your balances at June 30, 2005. These amounts will be increased by amounts for new contracts and amendments and decreased for payments and liquidations.

STATE OF LOUISIANA
CUSTODIAN OF NOTARIAL RECORDS OF ORLEANS PARISH (BTA)
Notes to the Financial Statement
As of and for the year ended June 30, 2006

R. GOVERNMENT-MANDATED NONEXCHANGE TRANSACTIONS (GRANTS) NOT APPLICABLE

The following government-mandated nonexchange transactions (grants) were received during fiscal year 2005-2006:

<u>CFDA Number</u>	<u>Program Name</u>	<u>State Match Percentage</u>	<u>Total Amount of Grant</u>
			\$
Total government-mandated nonexchange transactions (grants)			\$ -

S. VIOLATIONS OF FINANCE-RELATED LEGAL OR CONTRACTUAL PROVISIONS NOT APPLICABLE

At June 30, 20__, the _____ (BTA) was not in compliance with the provisions of _____ Bond Reserve Covenant that requires _____ to correct this deficiency. The _____ (BTA) did _____

T. SHORT-TERM DEBT NOT APPLICABLE

The (BTA) issues short-term notes for the following purpose(s) _____

Short-term debt activity for the year ended June 30, 20__, was as follows:

<u>List the type of Short-term debt (e.g., tax anticipation notes)</u>	<u>Beginning Balance</u>	<u>Issued</u>	<u>Redeemed</u>	<u>Ending Balance</u>
	\$	\$	\$	\$ -

The _____ (BTA) uses a revolving line of credit for the following to finance _____ (list purpose for the S-T debt).

Short-term debt activity for the year ended June 30, 20__, was as follows:

	<u>Beginning Balance</u>	<u>Draws</u>	<u>Redeemed</u>	<u>Ending Balance</u>
Line of credit	\$	\$	\$	\$ -

STATE OF LOUISIANA
CUSTODIAN OF NOTARIAL RECORDS OF ORLEANS PARISH (BTA)
Notes to the Financial Statement
As of and for the year ended June 30, 2006

U. DISAGGREGATION OF RECEIVABLE BALANCES

Receivables at June 30, 2006, were as follows:

Fund	Customer Receivables	Taxes	Receivables from other Governments	Other Receivables	Total Receivables
Custodian	\$ 69,452	\$ -	\$ -	\$ 773	\$ 70,225
Gross receivables	\$ 69,452	\$ -	\$ -	\$ 773	\$ 70,225
Less allowance for uncollectible accounts	-	-	-	-	-
Receivables, net	\$ 69,452	\$ -	\$ -	\$ 773	\$ 70,225
Amounts not scheduled for collection during the subsequent year	\$ -	\$ -	\$ -	\$ -	\$ -

V. DISAGGREGATION OF PAYABLE BALANCES

Payables at June 30, 2006, were as follows:

Fund	Vendors	Salaries and Benefits	Accrued Interest	Other Payables	Total Payables
Custodian	\$ 12,714	\$ 7,197	\$ -	\$ -	\$ 19,911
Total payables	\$ 12,714	\$ 7,197	\$ -	\$ -	\$ 19,911

W. SUBSEQUENT EVENTS NOT APPLICABLE

Disclose any material event(s) affecting the (BTA) occurring between the close of the fiscal period and issuance of the financial statement.

X. SEGMENT INFORMATION NOT APPLICABLE

Governments that report enterprise funds or that use enterprise fund accounting and reporting standards to report their activities are required to present segment information for those activities in the notes to the financial statements. For purposes of this disclosure, a segment is an identifiable activity (or group of activities), reported as or within an enterprise fund or another stand-alone entity that has one or more bonds or other debt instruments outstanding, with a revenue stream pledged in support of that debt. In addition, the activity's revenues, expenses, gains and losses, assets, and liabilities are required to be accounted for separately. This requirement for separate accounting applies if imposed by an external party, such as accounting and reporting requirements set forth in bond indentures. Disclosure requirements for each segment should be met by identifying the types of goods and services provided and by presenting condensed financial statements in the notes, including the elements in A through C below (GASB 34, paragraph 122, as modified by GASB 37, paragraph 17.)

STATE OF LOUISIANA
CUSTODIAN OF NOTARIAL RECORDS OF ORLEANS PARISH (BTA)
Notes to the Financial Statement
As of and for the year ended June 30, 2006

Type of goods or services provided by the segment _____.

A. Condensed balance sheet:

- (1) Total assets – distinguishing between current assets, capital assets, and other assets. Amounts receivable from other funds or BTA's should be reported separately.
- (2) Total liabilities – distinguishing between current and long-term amounts. Amounts payable to other funds or BTA's should be reported separately.
- (3) Total net assets – distinguishing among restricted (separately reporting expendable and nonexpendable components); unrestricted; and amounts invested in capital assets, net of related debt.

Condensed Balance sheet:

	<u>Segment #1</u>	<u>Segment #2</u>
Current assets	\$ _____	\$ _____
Due from other funds	_____	_____
Capital assets	_____	_____
Other assets	_____	_____
Current liabilities	_____	_____
Due to other funds	_____	_____
Long-term liabilities	_____	_____
Restricted net assets	_____	_____
Unrestricted net assets	_____	_____
Invested in capital assets, net of related debt	_____	_____

B. Condensed statement of revenues, expenses, and changes in net assets:

- (1) Operating revenues (by major source).
- (2) Operating expenses. Depreciation (including any amortization) should be identified separately.
- (3) Operating income (loss).
- (4) Nonoperating revenues (expenses) – with separate reporting of major revenues and expenses.
- (5) Capital contributions and additions to permanent and term endowments.
- (6) Special and extraordinary items.
- (7) Transfers
- (8) Change in net assets.
- (9) Beginning net assets.
- (10) Ending net assets.

STATE OF LOUISIANA
CUSTODIAN OF NOTARIAL RECORDS OF ORLEANS PARISH (BTA)
Notes to the Financial Statement
As of and for the year ended June 30, 2006

Condensed Statement of Revenues, Expenses, and Changes in Net Assets:

	<u>Segment #1</u>	<u>Segment #2</u>
Operating revenues	\$ _____	\$ _____
Operating expenses	_____	_____
Depreciation and amortization	_____	_____
Operating income (loss)	_____ -	_____ -
Nonoperating revenues (expenses)	_____	_____
Capital contributions/additions to permanent and term endowments	_____	_____
Special and extraordinary items	_____	_____
Transfers in	_____	_____
Transfers out	_____	_____
Change in net assets	_____ -	_____ -
Beginning net assets	_____	_____
Ending net assets	_____ -	_____ -

C. Condensed statement of cash flows:

- (1) Net cash provided (used) by:
 - (a) Operating activities
 - (b) Noncapital financing activities
 - (c) Capital and related financing activities
 - (d) Investing activities
- (2) Beginning cash and cash equivalent balances
- (3) Ending cash and cash equivalent balances

Condensed Statement of Cash Flows:

	<u>Segment #1</u>	<u>Segment #2</u>
Net cash provided (used) by operating activities	\$ _____	\$ _____
Net cash provided (used) by noncapital financing activities	_____	_____
Net cash provided (used) by capital and related financing activities	_____	_____
Net cash provided (used) by investing activities	_____	_____
Beginning cash and cash equivalent balances	_____	_____
Ending cash and cash equivalent balances	_____ -	_____ -

Y. DUE TO/DUE FROM AND TRANSFERS

NOT APPLICABLE

1. List by fund type the amounts **due from other funds** detailed by individual fund at fiscal year end:
 (Types of funds include general fund, statutory dedicated funds, discrete component unit funds, etc).

<u>Type of Fund</u>	<u>Name of Fund</u>	<u>Amount</u>
_____	_____	\$ _____
_____	_____	_____
_____	_____	_____
Total due from other funds		\$ _____

STATE OF LOUISIANA
CUSTODIAN OF NOTARIAL RECORDS OF ORLEANS PARISH (BTA)
Notes to the Financial Statement
As of and for the year ended June 30, 2006

2. List by fund type the amounts **due to other funds** detailed by individual fund at fiscal year end:

<u>Type of Fund</u>	<u>Name of Fund</u>	<u>Amount</u>
_____	_____	\$ _____
_____	_____	_____
_____	_____	_____
Total due to other funds		\$ _____

3. List by fund type **all transfers from other funds for the fiscal year:**

<u>Type of Fund</u>	<u>Name of Fund</u>	<u>Amount</u>
_____	_____	\$ _____
_____	_____	_____
_____	_____	_____
Total transfers from other funds		\$ _____

4. List by fund type **all transfers to other funds for the fiscal year:**

<u>Type of Fund</u>	<u>Name of Fund</u>	<u>Amount</u>
_____	_____	\$ _____
_____	_____	_____
_____	_____	_____
Total transfers to other funds		\$ _____

Z. LIABILITIES PAYABLE FROM RESTRICTED ASSETS

Liabilities payable from restricted assets in the Custodian (BTA) at June 30, 2006, reflected at \$38,641 in the current liabilities section on Statement A, consist of \$19,911 in accounts payable, \$ 11,030 in deferred revenue, and \$ 7,700 in escrow.

Liabilities payable from restricted assets in the Custodian (BTA) at June 30, 2006, reflected at \$26,901 in the non-current liabilities section on Statement A, consist of \$26,901 in compensated absences.

AA. PRIOR-YEAR RESTATEMENT OF NET ASSETS NOT APPLICABLE

The following adjustments were made to restate beginning net assets for June 30, 20__.
Each adjustment must be explained in detail on a separate sheet.

<u>Ending net assets</u> <u>July 1, 2005.</u> <u>previously reported</u>	<u>Adjustments</u> <u>+ or (-)</u>	<u>Beginning net</u> <u>assets, July 1, 2005.</u> <u>as restated</u>
_____	\$ _____	\$ _____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

(NOTE: Net Assets at July 1, 20__, previously reported, must correspond to Net Assets at June 30, 20__, per the information received from OSRAP.)

BB. NET ASSETS RESTRICTED BY ENABLING LEGISLATION (GASB STATEMENT 46) NOT APPLICABLE

Of the total net assets reported on Statement A at June 30, 20__, \$_____ are restricted by enabling legislation (which includes a legally enforceable requirement that the resources be used only for the specific purposes stipulated in the legislation). Refer to Appendix C for more details on the determination of the amount to be reported as required by GASB Statement 46.

STATE OF LOUISIANA
CUSTODIAN OF NOTARIAL RECORDS OF ORLEANS PARISH (BTA)
Notes to the Financial Statement
As of and for the year ended June 30, 2006

CC. IMPAIRMENT OF CAPITAL ASSETS NOT APPLICABLE

GASB 42 establishes accounting and financial reporting standards for the impairment of capital assets. Governments are required to evaluate prominent events or changes in circumstances affecting capital assets to determine whether impairment has occurred. A capital asset generally should be considered impaired if both (a) the decline in service utility of the capital asset is large in magnitude and (b) the event or change in circumstance is outside the normal life cycle of the capital asset. **See Appendix D for more information on GASB 42 and the Impairment of Capital Assets.**

The following capital assets are considered impaired: (There are five indicators of impairment described in Appendix D, (1) physical damage, (2) enactment of laws, etc. List the appropriate number (1-5) to identify the indicator of impairment in the second to last column below.)

<u>Type of asset</u>	<u>Amount of Impairment Loss</u>	<u>Indication of Impairment</u>	<u>Insurance Recovery in the same FY</u>	<u>Reason for impairment (e.g. hurricane)</u>
Buildings	_____	_____	_____	_____
Movable Property	_____	_____	_____	_____
Infrastructure	_____	_____	_____	_____

The carrying amount of impaired capital assets that are idle at year-end should be disclosed, regardless of whether the impairment is considered permanent or temporary. The following capital assets were idle at the end of the fiscal year. (Include the capital assets listed above that were idle at the end of the fiscal year.)

<u>Type of asset</u>	<u>Carrying Value</u>
Buildings	\$ _____
Movable Property	\$ _____
Infrastructure	\$ _____

DD. EMPLOYEE TERMINATION BENEFITS NOT APPLICABLE

Termination benefits are benefits, other than salaries and wages that are provided by employers as settlement for involuntary terminations initiated by management, or as an incentive for voluntary terminations initiated by employees. Involuntary termination benefits include benefits such as payment for unused leave balances. Voluntary termination benefits include benefits such as enhanced early retirement options resulting from an approved early retirement plan and payment for unused leave balances. Other termination benefits may include:

1. Early retirement incentives, such as cash payments, enhancement to defined benefit formula
2. Health care coverage when none would otherwise be provided (COBRA)
3. Compensated absences, including payments for leave balances
4. Payments due to early release from employment contracts

**STATE OF LOUISIANA
CUSTODIAN OF NOTARIAL RECORDS OF ORLEANS PARISH (BTA)
Notes to the Financial Statement
As of and for the year ended June 30, 2006**

GASB 47 requires the following disclosures about an employer's accounting for employee termination benefits.

1. A description of the termination benefit arrangement(s)
2. Period the employer becomes obligated
3. Number of employees affected
4. Cost of termination benefits
5. Type of benefit(s) provided
6. The period of time over which the benefits are expected to be provided
7. If the termination benefit affects the defined benefit pension (OPEB) obligations, disclose the change in the actuarial accrued liability for the pension or OPEB plan attributable to the termination benefit
8. When termination liabilities are reported, disclose the significant methods and assumptions used to determine the liabilities to be disclosed (for as long as the liability is reported)

The GASB 47 note disclosures listed below are provided as an example and should be modified as necessary.

Substantially all employees are eligible for termination benefits upon separation from the state. The agency recognizes the cost of providing these benefits as expenditures when paid during the year. For 2006, the cost of providing those benefits for _____ (number of) voluntary terminations totaled \$ _____. For 2006, the cost of providing those benefits for _____ (number of) involuntary terminations totaled \$ _____. [The termination benefits (voluntary and involuntary) paid in FY 2006 should also be included in the Statement of Revenues, Expenses, and Changes in Fund Net Assets on the account line "Administrative" in the Operating Expense Section.]

The liability for the accrued voluntary terminations benefits payable at June 30, _____ is \$ _____. This liability consists of _____ (number of) voluntary terminations. The liability for the accrued involuntary terminations benefits payable at June 30, _____ is \$ _____. This liability consists of _____ (number of) involuntary terminations.

[The termination benefits (voluntary and involuntary) payable at fiscal year end should also be included on the Balance Sheet in the "compensated absences payable" account line.]

If a termination benefit is not recognized because the expected benefits are not estimable, the employer should disclose that fact. Briefly describe termination benefits provided to employees as discussed above. If none, please state that fact.

A terminated employee can continue to access health benefits, however, if the COBRA participant is paying the ENTIRE premium then there is no state contribution on behalf of this individual. Therefore, when a terminated employee pays 100% of the premium, the state would not have a termination liability.

For the Year Ended JUNE 30, 20063

Note: The per diem payments are authorized by Louisiana Revised Statute, and are presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Legislature.

STATE OF LOUISIANA
CUSTODIAN OF NOTARIAL RECORDS OF ORLEANS PARISH (BTA)
SCHEDULE OF STATE FUNDING
For the Year Ended JUNE 30, 2006
(Fiscal Close)

<u>Description of Funding</u>	<u>Amount</u>
1. _____	\$ _____
2. _____	_____
3. _____	_____
4. _____	_____
5. _____	_____
6. _____	_____
7. _____	_____
8. _____	_____
9. _____	_____
10. _____	_____
Total	\$ _____

STATE OF LOUISIANA
CUSTODIAN OF NOTARIAL RECORDS OF ORLEANS PARISH (BTA)
SCHEDULE OF REIMBURSEMENT CONTRACTS PAYABLE
JUNE 30, 2006
(Fiscal Close)

Issue	Date of Issue	Original Issue	Principal Outstanding 6/30/PY	Redeemed (Issued)	Principal Outstanding 6/30/CY	Interest Rates	Interest Outstanding 6/30/CY
_____	_____	\$ _____	\$ _____	\$ _____	\$ _____	_____	\$ _____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
Total		\$ _____	\$ _____	\$ _____	\$ _____		\$ _____

*Send copies of new amortization schedules

STATE OF LOUISIANA
CUSTODIAN OF NOTARIAL RECORDS OF ORLEANS PARISH (BTA)
SCHEDULE OF NOTES PAYABLE
JUNE 30, 2006
(Fiscal close)

Issue	Date of Issue	Original Issue	Principal Outstanding 6/30/PY	Redeemed (Issued)	Principal Outstanding 6/30/CY	Interest Rates	Interest Outstanding 6/30/CY
_____	_____	\$ _____	\$ _____	\$ _____	\$ _____	_____	\$ _____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
Total		\$ _____	\$ _____	\$ _____	\$ _____		\$ _____

*Send copies of new amortization schedules

**STATE OF LOUISIANA
CUSTODIAN OF NOTARIAL RECORDS OF ORLEANS PARISH (BTA)
SCHEDULE OF BONDS PAYABLE
JUNE 30, 2006
(Fiscal close)**

Issue	Date of Issue	Original Issue	Principal Outstanding 6/30/PY	Redeemed (Issued)	Principal Outstanding 6/30/CY	Interest Rates	Interest Outstanding 6/30/CY
_____	_____	\$ _____	\$ _____	\$ _____	\$ _____	_____	\$ _____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
Total		\$ _____	\$ _____	\$ _____	\$ _____		\$ _____

*Send copies of new amortization schedules

STATE OF LOUISIANA
CUSTODIAN OF NOTARIAL RECORDS OF ORLEANS PARISH (BTA)
SCHEDULE OF REIMBURSEMENT CON
TRACTS PAYABLE AMORTIZATION
For The Year Ended JUNE 30, 2006
(Fiscal Close)

Fiscal Year		
<u>Ending:</u>	<u>Principal</u>	<u>Interest</u>
2007	\$ _____	\$ _____
2008	_____	_____
2009	_____	_____
2010	_____	_____
2011	_____	_____
2012	_____	_____
2013	_____	_____
2014	_____	_____
2015	_____	_____
2016	_____	_____
2017	_____	_____
2018	_____	_____
2019	_____	_____
2020	_____	_____
2021	_____	_____
2022	_____	_____
2023	_____	_____
2024	_____	_____
2025	_____	_____
2026	_____	_____
2027	_____	_____
2028	_____	_____
2029	_____	_____
2030	_____	_____
2031	_____	_____
Total	\$ _____	\$ _____

STATE OF LOUISIANA
CUSTODIAN OF NOTARIAL RECORDS OF ORLEANS PARISH (BTA)
SCHEDULE OF CAPITAL LEASE AMORTIZATION
For The Year Ended June 30, 2006

<u>Fiscal Year</u> <u>Ending:</u>	<u>Payment</u>	<u>Interest</u>	<u>Principal</u>	<u>Balance</u>
2007	\$ _____	\$ _____	\$ _____	\$ _____ -
2008	_____	_____	_____	_____ -
2009	_____	_____	_____	_____ -
2010	_____	_____	_____	_____ -
2011	_____	_____	_____	_____ -
2012-2016	_____	_____	_____	_____ -
2017-2021	_____	_____	_____	_____ -
2022-2026	_____	_____	_____	_____ -
2027-2031	_____	_____	_____	_____ -
 Total	 \$ _____ -	 \$ _____ -	 \$ _____ -	 \$ _____ -

SCHEDULE 4-B

**STATE OF LOUISIANA
CUSTODIAN OF NOTARIAL RECORDS OF ORLEANS PARISH (BTA)**

**SCHEDULE OF NOTES PAYABLE AMORTIZATION
For the Year Ended June 30, 2006**

Fiscal Year Ending:	<u>Principal</u>	<u>Interest</u>
2007	\$ _____	\$ _____
2008	_____	_____
2009	_____	_____
2010	_____	_____
2011	_____	_____
2012-2016	_____	_____
2017-2021	_____	_____
2022-2026	_____	_____
2027-2031	_____	_____
Total	\$ <u>_____</u> -	\$ <u>_____</u> -

**STATE OF LOUISIANA
CUSTODIAN OF NOTARIAL RECORDS OF ORLEANS PARISH (BTA)**

**SCHEDULE OF BONDS PAYABLE AMORTIZATION
For The Year Ended June 30, 2006**

Fiscal Year Ending:	<u>Principal</u>	<u>Interest</u>
2007	\$ _____	\$ _____
2008	_____	_____
2009	_____	_____
2010	_____	_____
2011	_____	_____
2012	_____	_____
2013	_____	_____
2014	_____	_____
2015	_____	_____
2016	_____	_____
2017	_____	_____
2018	_____	_____
2019	_____	_____
2020	_____	_____
2021	_____	_____
2022	_____	_____
2023	_____	_____
2024	_____	_____
2025	_____	_____
2026	_____	_____
2027	_____	_____
2028	_____	_____
2029	_____	_____
2030	_____	_____
2031	_____	_____
Total	\$ _____ --	\$ _____ --

CUSTODIAN OF NOTARIAL RECORDS OF ORLEANS PARISH (BTA)

To assist OSRAP in determining the reason for the change in financial position for the State, please complete the schedule below. If the change is greater than \$1 million, explain the reason for the change.

	<u>2008</u>	<u>2005</u>	<u>Difference</u>	<u>Percentage Change</u>
1) Revenues	\$ <u>1,459,756</u>	\$ <u>2,109,189</u>	\$ <u>694,433</u>	\$ <u>30.80</u>
Expenses	<u>1,478,294</u>	<u>1,719,917</u>	<u>240,623</u>	<u>13.99</u>
2) Capital assets	<u>186,486</u>	<u>156,709</u>	<u>29,777</u>	<u>19.00</u>
Long-term debt	<u>26,901</u>	<u>18,233</u>	<u>8,668</u>	<u>47.54</u>
Net Assets	<u>2,606,573</u>	<u>2,626,111</u>	<u>(19,538)</u>	<u>0.7</u>
Explanation for change:				

OTHER REPORTS REQUIRED BY
GOVERNMENT AUDITING STANDARDS

Hienz & Macaluso LLC

Certified Public Accountants

ROBERT W. HIENZ, C.P.A.
ANTHONY J. MACALUSO, JR., C.P.A.

DAVID V. ERNST

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**Independent Auditor's Report
on Internal Control over Financial Reporting and on Compliance and Other Matters
Based on an Audit of Financial Statements Performed in Accordance with
*Government Auditing Standards***

**To the Custodian of Notarial Records of Orleans Parish
State of Louisiana
New Orleans, Louisiana**

We have audited the financial statements of the business-type activities of the Custodian of Notarial Records of Orleans Parish (the Custodian), a component unit of the State of Louisiana, as of and for the year ended June 30, 2006, which collectively comprise the Custodian's basic financial statements and have issued our report thereon dated September 20, 2006. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the Custodian's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Custodian's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statements amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that is required to be reported under *Government Auditing Standards*.

This report is intended solely for the information of the Custodian of Notarial Records of Orleans Parish and its management, federal and state awarding agencies and pass-through entities and the Legislative Auditor of Louisiana and is not intended to be, and should not be, anyone other than those specified parties. However, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Hienz & Macaluso, LLC

HIENZ & MACALUSO, LLC
Metairie, LA

September 20, 2006

**CUSTODIAN OF NOTARIAL RECORDS
OF ORLEANS PARISH
STATE OF LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2006**

We have audited the basic financial statements of the Custodian of Notarial Records of Orleans Parish ("Custodian") as of and for the year ended June 30, 2006, and have issued our report thereon dated September 20, 2006. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our audit of the financial statements as of June 30, 2006 resulted in an unqualified opinion.

Section I - Summary of Auditor's Reports

a. Report on Internal Control and Compliance Material to the Financial Statements:

Internal Control:

Material Weakness - **NO**

Other Conditions - **NO**

Compliance:

Compliance Material to the Financial Statements - **NO**

b. Federal Awards:

Not applicable

Section II - Financial Statement Findings

There were no financial statement findings for the year ended June 30, 2006.

Section III - Federal Award Findings and Questioned Costs

Not applicable.

Section IV - Management Letter

A management letter was not issued in connection with the audit for the year ended June 30, 2006.

REPORTS BY MANAGEMENT

**CUSTODIAN OF NOTARIAL RECORDS
OF ORLEANS PARISH
STATE OF LOUISIANA
SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED JUNE 30, 2006**

Section I – Internal Control and Compliance Material to the Financial Statements

Finding 2005-1 Compliance with Louisiana Budget Laws

The Custodian's budget for 2005 was not finalized until after its fiscal year. This finding has been resolved.

Section II – Internal Control and Compliance Material to Federal Awards

Not applicable.

Section III - Management Letter

A management letter was not issued in connection with the audit for the year ended June 30, 2005.

**CUSTODIAN OF NOTARIAL RECORDS
OF ORLEANS PARISH
STATE OF LOUISIANA
MANAGEMENT'S CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED JUNE 30, 2006**

Section I – Internal Control and Compliance Material to the Financial Statements

Not applicable.

Section II – Internal Control and Compliance Material to Federal Awards

Not applicable.

Section III - Management Letter

A management letter was not issued in connection with the audit for the year ended June 30, 2006.